PART I.

CHAPTER I.

EARLY ORDINANCES.

The first grant given by the city for a street railway, was the horse railroad charter granted to Roswell B. Mason and Charles B. Phillips on March 4, 1856, but no lines were constructed under this grant.

The first franchise under which any street railways were constructed was passed on August 17, 1858, by which Henry Fuller, Franklin Parmalee and Liberty Biglow were authorized to construct and operate street railways in certain streets of the South and West divisions of the city. This ordinance was granted for twenty-five years, and until purchased by the city.

A dispute had arisen as to the power of the City to grant the use of the streets for street railways, and on February 14, 1859, the grantees under the ordinance of August 16, 1858, together with Henry A. Gage, secured from the legislature for a period of twenty-five years, a charter for the Chicago City Railway Company. This act authorized the construction and operation of street railways upon such streets in the South and West division, as the city council had previously granted to the incorporators, or as it might thereafter grant to the company, and upon such terms as the council might prescribe.

By the same act William B. Ogden, John B. Turner, Charles V. Dyer, James H. Rees, and Valentine C. Turner became the incorporators of the North Chicago City Railway Company. This Company was incorporated for the same period and was authorized to construct

and operate street railways in the North division of the city, in such streets and upon such conditions as the council might prescribe.

On the 21st of February, 1861, the Chicago West Division Railway Company was incorporated for a period of twenty-five years,—Nathanial P. Wilder, Edward B. Ward, William K. McAllister, Samuel B. Walker, James L. Wilson, and Charles B. Brown being the incorporators. On July 30, 1863, this company acquired by deed of conveyance from the Chicago City Railway Company, all its rights and privileges in the streets of the West division of the city, together with all lines and equipment being operated in that division, by the Chicago City Railway Company.

Following these grants, permission was given to the companies by ordinances, at various times, to extend their lines. The first ordinance to the North Chicago City Railway Company was given on May 23, 1859, the duration of which was stated as being "for twenty-five years and no longer." All subsequent ordinances given to this company prior to 1865, refer back to this provision, while most of the grants given to the Chicago City Railway Company and the Chicago West Division Railway Company refer back to the ordinances of August 16, 1858, which fixed the duration of franchise "for twenty-five years and until purchase by the city."

Under these grants the companies rapidly built up and extended their lines, and by 1865, each company had developed and was operating a complete railway system in its respective division of the city—the division of the city into three natural divisions by the Chicago river and its branches furnishing a basis for this territorial arrangement between the three companies, each of which exacted a separate fare. Thus early is seen the influence of the geographical element in the Chicago traction problem.

CHAPTER II.

THE NINETY-NINE YEAR ACT.

With the rapid increase in population and the corresponding growth of the city, came a pressing need for extensions in the traction service, necessitating large expenditures. Accordingly the companies began to plan to secure extensions of their franchise rights, on the ground that sufficient capital could not be obtained for the needed extensions in the service, upon franchises which were so soon to expire. In 1863, the companies succeeded in securing the passage of a measure in the legislature extending their charters to ninety-nine years. This measure was vetoed by Governor Yates. although $100,000 was offered him to permit the bill to become a law.[1] On February 6, 1865, the companies secured the passage of an act in the legislature, known as the "Ninety-Nine Year Act," and entitled "An Act Concerning Horse Railways in Chicago." It was supposed that the effect of the act was merely to substitute the words "ninety-nine years" for the words "twenty-five years" in the previous grants, and that the purpose of the act was to extend all the existing privileges of the companies for a period of ninety-nine years.

The most vital provision of this act was the clause which provides that the grants given in 1859 to the Chicago City Railway Company and the North Chicago City Railway Company; and the grant given to the Chicago

[1] John H. Hamline, in a hearing before Gov. Yates, Jr., on the Mueller Bill in 1903, made this statement, offering the signature of the elder Yates as authority. "A Prophecy and its Fulfillment", Hamline, p. 4.

West Division Railway Company in 1861 "be, and the same hereby are amended, *as* that all words in said respective sections after the words 'Company' therein respectively, shall be and read as follows viz: For ninety-nine years, with all the powers and authority hereinafter expressed, and pertaining to corporations for the purposes hereinafter mentioned."

Great popular feeling was manifested in opposition to this act, upon the grounds that it extended all the franchise rights of the companies for ninety-nine years, the Chicago newspapers leading in the attack, prominent among them being the Tribune.[2]

Governor Oglesby, in vetoing the bill, gave as his first reason for so doing: "I do not approve the bill, because by its first section it extends the franchise vested by the first section of the act of February 14, 1859, and February 21, 1861, to a period of ninety-nine years. . . . . Upon any fair construction the act seems hardly susceptible of any other meaning. I have heard none other claimed for it." In his message, Governor Oglesby also based his veto upon the grounds that it was unwise to pass the act in spite of the protest of so many citizens, and so long in advance of the expiration of the existing franchises of the companies, that it destroyed the right of the city to purchase in twenty-five years as provided in the original charter, and that huch an extension of franchise privileges would tend to make the street railways more monopolistic in character. The act was passed over the Governor's veto by a vote of 55 to 22 in the House, and 18 to 5 in the Senate.[3] The use of corruption and bribery

[2] See Chicago *Tribune* files for month of Jan., 1865.

[3] House and Senate *Journals*, 1865, for House Bill No. 66. Henry Demarest Lloyd in "The Chicago Traction Question" is mistaken in saying that the act was shortly afterwards repealed.

in securing the passage of this act was openly charged against the companies. A protest against this act, demanding that the law be submitted to the people, was signed by 9,000 citizens.[4] Many public meetings were held which denounced the bill.[5] A committee[6] of prominent citizens went to Springfield to protest against the bill. The Chicago Board of Trade passed a resolution saying that the bill sacrificed "not only the rights of the present, but of our children, and our children's children."[7] It would seem that for many years after the passage of the act, it was quite generally thought to extend all the privileges of the companies for ninety-nine years; for in his message to the city council on August 6, 1883, Mayor Carter Harrison, Sr., said: "No one can be more impressed with the enormity of the injustice attempted to be perpetrated upon this city by the General Assembly of the State by the act of 1865. I have always entered upon the discussion of that act with all my prejudices arrayed against it. But I am forced to yield to the opinion of lawyers far abler than myself that the act of 1865 is valid." The fact that 9,000 citizens signed a protest against this measure on the assumption that it extended the franchise rights of the companies for this long period, that the newspapers based their attack against the measure upon similar grounds, that Governor Oglesby vetoed the bill firm in the belief "that the only fair construction of this act" was the extension of the privileges for ninety-nine years, and, that Mayor Harrison's message in 1883 did not presume to deny the extension

[4] This petition was presented in the House by Representative George Strong, but was laid upon the table.

[5] The two largest meetings were at the Metropolitan Hall on January 24, and at Bryan Hall, on January 28.

[6] Mr. Wirt Dexter acted as chairman of this committee.

[7] Lloyd, "Chicago Traction Question", p. 12.

of the privileges of the companies by this act, seem to demonstrate,—regardless of the purpose of those who secured the passage of this act,—that the popular impression at the time of its passage and afterwards, was that the lives of the North Chicago City Railway Company, and the Chicago West Division Railway Company, and the Chicago City Railway Company, together with all the franchise privileges of these companies, had been extended for ninety-nine years from the date of their organization.

CHAPTER III.

CITY SEEKS TO PREVENT FUTURE LONG TERM FRANCHISES.

The violent public protest against the "Ninety-Nine Year Act," and the general animosity to long term grants aroused by the passage of that act, were largely responsible for forcing the State to adopt the principle of local control concerning street railways. In the new constitution, adopted by the State of Illinois in 1870, the power of granting franchises without the consent of local authorities was withdrawn from the legislature. The constitution provides,[1] "no law shall be passed by any general assembly granting the right to construct and operate a street railway in any town, city, or village, without requiring the consent of the local authorities having control of the street or highway proposed to be occupied by such a street railroad". In 1874 the legislature passed the "House and Dummy Act" which limited the length for which franchises could be granted by any city council to any street railway, to twenty years,—thus making short term grants a permanent feature of State policy. On April 23, 1875, the city of Chicago was incorporated by a new charter, under the "City and Village Act", which act provided that cities becoming chartered under it were forbidden to grant street railway franchises for a longer period than twenty years. Thus it would seem that the city became thrice-fortified against the possibility of any long term franchises being given to the companies, in the future. Later events, however, show that the companies were not to be so easily discouraged in their efforts to secure such grants.

[1] Section 22.

CHAPTER IV.

THE EXTENSION OF LICENSE ORDINANCES IN 1883.

The early ordinances had contained no requirements from the companies in the way of compensation to the city, aside from provisions concerning the maintenance of tracks, grading, pavement, etc. On March 18, 1878, the council had passed an ordinance requiring the companies to pay $50 per annum on each car owned. No money was ever collected under this ordinance, as the companies contested the right of the city to levy this tax, and while the litigation was still pending, the blanket ordinances of 1883 were passed.

The original grants given to the companies for a period of twenty-five years were about to expire in 1883 and 1884, and shortly preceding the expiration of these grants, a question arose as to the effect of the Ninety-Nine Year Act upon the original grants, as well as the question of the power of the city to levy the car tax.[1]

The questions in dispute at that time, as outlined by Mayor Harrison, in his message of August 6, 1883, were:[2]

1. "The validity of the act of the general assembly of the State, known as the Ninety-Nine Year Act, extending the rights of the street railways to operate their roads within the city.

[1] Allerton *vs.* Chicago, 6 Fed. Rep. 555 (decided in 1889). Judge Drummond, of the U. S. Circuit Court, sustained the ordinance imposing an annual $50 car license fee, as a valid exercise of the police power of the city, under a provision in the charter of the city, whereby it was authorized to "license hackmen, omnibus drivers, cabmen, and all others pursuing like occupations, and to prescribe their compensation".

[2] Transcript of Record, Blair *vs.* Chicago, p. 276.

2. The right and power of the city to purchase certain railway tracks, together with other property.

3. The right of the city to impose and collect a license fee of $50 on each car run by said companies, within the city."

The Ninety-Nine Year Act was referred by the Committee on Railroads of the city council to the corporation counsel, who in an exhaustive opinion stated his belief in the rights of the companies under the Ninety-Nine Year Act.[3] In view of this opinion and other circumstances, the city was desirous of postponing any litigation concerning the validity of this act, for as Mayor Harrison in his message to the council, of August 6, 1883, said,[4]

"Hampered as are the Courts at the present time, by decisions which they consider binding upon them, I fear that were the matter to be taken before them now, the city would stand a poor show of a favorable decision. Perhaps by twenty years from now, the Courts may be so free that the city will be able to get a hearing, which today would be denied it. With these views, I am anxious to stave off a determination of the validity of the act of 1865. This present (the Extension) Ordinance leaves the whole matter in abeyance for twenty years, and is therefore favorable to the city."

The extension ordinances were adopted on July 30, 1883, and were a compromise measure between the city and the companies, providing:—

(1) That the companies should pay $25 per annum per car, for the five years since 1878, when the original car license ordinance had been passed.

(2) That the companies were to pay a $50 tax on each car owned by them. The number of cars owned

[3] Council Proceedings, 1883-4, p. 77.

[4] Council Proceedings, 1883-4, August 6, 1883.

was to be arrived at by a unique method—viz: the average number of car trips made daily, as certified to by an officer of each company, was to be divided by 13, on the supposition that each car made that many trips daily. The number of cars operated, as determined by this method of computation, was to be the basis of the tax.

(3) All ordinances then in force were extended for twenty years from the date of the passage of the extension ordinances, making 1903 the date of the expiration of the franchise privileges.

Later events have justified the course adopted at this time by the city. Mayor Harrison undoubtedly wrought better than he knew, in refusing to be led into any litigation concerning the Ninety-Nine Year Act. The city was in need of money, being unable to complete the erection of the city hall, because of lack of funds, and therefore would have been financially unable to fight the case properly in the courts. Had the act been tested at that time, it is possible that the decision might have been favorable to the city, but it is not unlikely that the trend of judicial decisions for the last generation, in favor of the public as opposed to corporations, had an effect in the final decision of the case.

After the passage of the extension ordinances, numerous street privileges were given to the companies which were in existence at the time of the passage of those ordinances, as well as to the companies which were formed later. Most of these franchises were made to expire with the extension ordinances in 1903, although some were given for a period of twenty years from the date when granted. Under these franchises many lines were built up in the outlying portions of the city, the extension of street railways keeping pace with the growth in population.

PART II.

ATTEMPTS OF THE COMPANIES TO SECURE LONG TERM FRANCHISES.

CHAPTER V.

THE CRAWFORD BILL.

The years between 1895 and 1900 witnessed a continued contest between the companies and the city,—the object of the companies being to gain possession of the streets for a long term period. Indeed it finally looked as though the companies had at last secured the mastery of the situation, and were about to obtain their desire. But the entire citizenship, acting with a remarkable singleness of purpose, succeeded in securing the repeal of the legislation so carefully constructed by the companies, administered a most humiliating reprimand to the representatives of the people who had acted for the companies, and forever fixed the principle of short term street railway franchises for the city of Chicago.

From the manifestations of public feeling in the past, it would seem that the companies should have realized the hoplessness of endeavoring to secure long term grants. Their privileges, under the extension ordinances, were to expire in 1903, and before the expiration of these privileges they wished to make themselves sure of a long term grant for the future. Their constant cry for long term franchises was based upon the grounds that without such a grant it would be impossible to secure the necessary capital for the proper improvement of the service. Although claiming the extension of their privileges by the

Ninety-Nine Year Act, the companies did not wish to rest their claims upon this act alone, but desired to support their claims under this act, by securing further long-grant legislation.

The first step toward securing this result, was the introduction of the Crawford Bill in the Senate, on February 6, 1895.[1] The purpose of this bill was to give to city councils the right to grant street railway franchises for ninety-nine years instead of twenty years. This bill passed both the Senate and the House, but was vetoed by Governor Altgeld, who closed his veto message with these words,

"I love Chicago and am not willing to help forge a chain which would bind her hand and foot for all time to the wheels of monopoly and leave her no chance to escape."

[1] Introduced by Charles H. Crawford, Senator from the Third Senatorial District, Cook County. Senate Bill No. 138. See Senate and House *Journals,* 1895.

CHAPTER VI.

THE HUMPHREY BILLS.

In view of the public feeling aroused in Chicago by the attempted passage of the Crawford Bill, the companies seem to have temporarily despaired of securing long term grants from the local authorities, and in 1897 a clever attempt was made to deprive the city of the power of granting street privileges. This privilege was embodied in the Humphrey bills, introduced into the Senate by John Humphrey, on February 17.[1]

Of these bills, No. 148 provided for the establishment of a State Commission, consisting of three persons, appointed by the Governor, each commissioner to serve for four years. Every elevated or street railway company in the State was to make a sworn annual statement to this commission, on the first day of November. This report was to give the amount of capital stock, amount of bonded debt, value of the road-bed, rolling stock, and stations, length of tracks, amount of receipts, gross earnings, net income, operating expenses, dividends paid, amounts expended in repairs, improvements and all other expenses, the rate of fare, and operating arrangements with other roads. The commission was also to have power to regulate the time of running cars, to require suitable and comfortable cars, to provide for the heating of cars, to regulate the carrying of parcels, and to fix the maximum rate of fare—but where the fare was fixed in any existing ordinance it could not be changed before the expiration of that ordinance. Consent must also be ob-

[1] Senator from the Seventh Senatorial District.

tained from the commission before any company could obtain a new ordinance, and in the future, all ordinances were to be granted to the commission, and to be sold by the commission to the highest bidder. Power was given to the commission to prosecute any violation of this law.

Senate Bill No. 258 provided that all existing street railway franchises be extended for fifty years, dating from the first Tuesday in December of 1897, the fare in each case to be five cents for the entire period. Carriage of parcels and United States mail was authorized. No company was to be permitted to construct a street railway without securing the consent of local authorities, as required by law, and the city council was given power to grant street privileges "for any period not to exceed fifty years, upon such terms and conditions as the authorities shall deem for the best interests of the public." In return for all these privileges the companies were to make the following payments to the city:

In counties having a population of

1. Less than 100,000.....1 per cent. gross receipts
2. Less than 200,000.....2 per cent. gross receipts
3. 200,000 or more.....3 per cent. gross receipts

and at the end of fifteen years the rate was to increase to 5 per cent., and at the end of twenty years to 7 per cent., remaining at 7 per cent. until fifty years from the date of the act.

The companies put up a vigorous campaign in favor of these bills, publishing broadcast statements purporting to show that better service was secured for less money in Chicago than in any other large city, and that the companies in every other large city possessed more favorable rights and longer franchises than did the companies of Chicago. The companies, in their official circulars, also asserted that the compensation provided for

the city was much larger than that given in any other city for similar privileges. However, these bills met with great public hostility, one of the main arguments against them being the creation of a State commission to act in purely local affairs. The fact that the members of this commission were to be appointed by the Governor every four years, thus permitting politics to enter into the *personnel* of the commission, no doubt was an influential factor in defeating the bills, although the provision permitting fifty year grants was probably the one which received the most vigorous condemnation. The Chicago newspapers were nearly unanimous in their denunciation of the bills, the Civic Federation entered into an active campaign against them, and the Federation of Labor unhesitatingly denounced them. The bills were passed by the Senate on April 16th by a vote of 29 to 16. Upon the passage of the bills in the Senate, public opposition became more determined. Public mass meetings were held, denouncing the Senators who had voted for the bills.[2] When reported for a second reading in the House, on May 12th, the bills met defeat by a vote of 121 to 29.[3]

[2] The two largest meetings were held at Central Music Hall, April 18, at the call of the Committee of One Hundred; and the Battery D meeting, April 20, at the call of the Citizens' Association.

[3] House and Senate *Journals,* 1897. Senate bills 148 and 258.

CHAPTER VII.

THE ALLEN LAW.

Following the defeat of the Humphrey bills, the companies awoke to a realization of the fact that it would be impossible for them to secure an extension of their rights in any other way than through the city itself.

In view of the strong "home rule" sentiment which had manifested itself during the campaign for the Humphrey bills, the companies decided upon the scheme of pretending to vest the city council with practically unlimited powers in street railway legislation and control. In accordance with this plan, House Bill No. 714 was introduced into the House by Mr. G. A. Allen on May 26th. The bill, which became known as the Allen law, provided that the local authorities might give street privileges to street railway companies for any period not exceeding fifty years, but all grants were to be conditional upon the consent of more than one-half of the owners of lands fronting the parts of streets to be used, although this signature once given could not be revoked. Five cents was to be the regular rate of fare, which could not be changed during the life of any existing ordinance of franchise, and in case of the extension of any existing ordinance, the rate was to be five cents for the first twenty years. For new privileges granted, the council was to fix the fare, which could not exceed five cents, but which, when once fixed, was not to be changed for twenty years. Carriage of mail was authorized, and consolidation of companies was permitted, except of parallel and competing lines. On May 28th the bill

passed the House by a vote of 85 to 60, and was at once sent to the Senate. Here many amendments were added and the bill was rushed through on the last day, June 4th, by a vote of 31 to 18. It was immediately reported to the House, where it passed by a vote of 83 to 70.[1]

Immediately upon the passage of the act, Senators Walter Warden and Sidney McCloud filed a protest against the action of the Senate upon the grounds that the bill had been advanced to a second reading, when it had been read by title only upon the first reading, and that the bill had not been read at large on three different days as required by the constitution of the State of Illinois.[2]

As will be readily noted, the Allen law contained many provisions favorable to the companies then occupying the streets, and had the companies been able to secure street privileges for fifty years from the city council, under the provisions of this law, their position for the future would have been greatly strengthened.

On June 21, 1897, twelve days after the approval of the Allen law by Governor Tanner, John M. Harlan offered a resolution in the council providing for the creation of a special committee of five, who should investigate and obtain full and accurate information on the traction situation, and report the existing status of affairs to the city council.

The preamble of the resolution stated that the companies had recently secured the enactment of the Allen law, and would probably soon apply for a renewal of their privileges, according to the provisions of that law; "that it was essential to the interests of the people of Chicago that the mayor and city council shall be fully informed and advised as to all facts bearing upon the

[1] Only absolutely complete vote during the session.

[2] Senate Journal, 1897, p. 1103.

mutual relations of the city and corporations using the public streets for surface railway transportation, in order that they, the mayor and city council, may be able, when called upon, to determine, with justice to the people of Chicago and to said companies, upon what terms and by what persons, the public streets shall continue to be used for street railway purposes." The preamble further said that the people and corporate authorities of Chicago, while intending to do full justice to the companies "are resolved that any grant for the further use of the streets for railway purposes shall be made upon terms that shall fully recognize and protect the interests of the people as well as of the companies".

The resolution directed the committee "to investigate and obtain as full and accurate information as possible and report to the council the material facts" upon all important points of interest and importance regarding capitalization, earnings, dividends, franchise, and service. The resolution was passed on October 13, 1897, and the committee[3] began work at once, filing its report on March 28, 1898. The report was an exhaustive one, covering in detail the points outlined by the resolution; the information contained therein being necessary for an intelligent understanding on the part of the council, as to the conditions then existing.

Meanwhile, from all parts of the State was coming unqualified disapproval of the Allen Law. Citizens of all parties regarded it as a clever scheme of the companies, by which they hoped to secure a perpetuation of their valuable franchise rights. The law was bitterly denounced in mass meetings and in the newspapers as one

[3] Consisting of John M. Harlan, William Jackson, Adolphus T. Maltby, and William Maypole, with Mayor Harrison as chairman *ex-officio,* and George T. Hooker, secretary.

which had been framed and railroaded through the Legislature, in absolute contempt of public wishes, in order to enable the street railway companies to secure control of the streets for fifty years. That it was the most unpopular measure ever passed in Illinois is unquestionable.

An indication of the public indignation caused by the passage of this act, is found in the fate of the legislators who voted for the act. Cook County, in which Chicago is situated, gave 42 votes for the Allen law, of which 3 were Senators whose term held over. Of the other 39, 27 of whom were Republicans and 12 Democrats, the Republicans re-nominated 7 and the Democrats 5.[4]

The Cook County Republican Convention, on June 8, 1898, adopted this resolution:[5] "The repeatedly changing conditions in our city render impossible the fixing of fair compensation for the granting of valuable public franchises to street railway or other private corporations for as long a term as fifty years. We, therefore, declare it to be the sense of this convention, that the so-called Allen law is in opposition to the interests of the people and should be promptly repealed." The Cook County Democratic Convention, during the same summer, said, "We declare for the prompt and unconditional repeal of this pernicious law, and demand that, pending such repeal, the city council of Chicago pass no ordinance in furtherance thereof."

However, the most conclusive proof of the public wrath aroused by the passage of this bill is found in the composition of the next legislature, which met in 1899. Of the 31 Senators who voted in favor of the Allen law, the term of 15 expired, and of these 15, but three were

[4] *Post,* June 8, 1898.

[5] *Times Herald,* June 9, 1898. This resolution was adopted by a vote of 875 to 246.

returned to the next session.[6] Of the 85 members of the House who voted for the bill in its first form, but 21 were returned.[7]

Unfrightened by this public condemnation of the fifty year-grant policy, and apparently depending upon their ability to jam their legislation through the council, the companies made application to the council for an ordinance under the terms of the Allen law, on December 5, 1898, about one month after the landslide against the Allen law candidates.

This ordinance was introduced by Wm. H. Lyman,[8] and was accompanied by a letter from the president of the roads, urging its adoption. This ordinance provided that every grant given prior to July 1, 1897, and in force on that date, be extended for fifty years. The rate of fare was to be five cents for the first twenty years. As compensation to the city there was provided a graduated rate of gross earnings per mile of single track, although there was no provision as to how the city should ascertain the gross earnings, aside from the requirement that each company should file an annual statement showing the mileage and gross earnings. On January 14, 1899,[9] a majority report of the Committee on City Hall, to whom the ordinance had been referred, recommended that no legislation be enacted at that time. However, a minority report[10] recommended the passage of the Kimball ordinance. The proposed Kimball ordinance provided for the extension of all street railway ordinances then in

[6] Chapman, Humphrey, and Hunt.

[7] Anderson, Allen, Branen, Brown, Bryant, Busse, Carmady, Cavanaugh, Craig, Farrel, Fuller, Grade, Johnston, McDonogh, Weavey, Olsen, Perry, Rhodes, Sherman, Sullivan, Shieman.

[8] Of the Twenty-third Ward.

[9] Council Proceedings, January 14, 1899.

[10] Signed by Wm. C. L. Zieler and Wm. Mangler. Norton, p. 162, "Chicago Traction."

force until December 31, 1946, and that the rate of fare should be five cents for the first twenty years, but that the companies should sell six tickets for twenty-five cents. good only for certain hours of the day. The companies were to be required to pave the entire roadway of the streets occupied by them, and to pay the city a graduated rate of gross receipts for the various periods of franchise —ranging from 3 to 5 per cent. The city was to have the right to purchase the entire equipment, at an appraised value, upon the expiration of the franchise. Intense hostility was manifested against the passage of such ordinances, the agitation being led by Mayor Harrison and the local press. The ordinances were bitterly opposed and unscathingly denounced by the Tribune, Record, News, and the Times Herald, and supported by the Inter-Ocean[11] (considered as Mr. Yerkes's official organ). While these ordinances were still pending, on January 23, the council adopted a resolution saying, "Resolved, That it is the sense of the city council of the city of Chicago, representing the people of said city, who seem to be well enough nigh of one opinion on this question—

1. That the Allen law should be repealed at the earliest possible opportunity."

On March 7, 1899, the Allen law was repealed by a practically unanimous vote of the legislature, and the power of the council to grant franchises was again limited to twenty years. On March 13, the ordinances which were pending before the council were, by resolution, placed on file. The bitter denunciation of the Allen law in all parts of the State, the rebuke administered to

[11] The *Inter-Ocean* openly charged the other newspapers with an attempt to blackmail the companies and to secure tribute in support of the ordinances, and proclaimed that the other newspapers had promised Mayor Harrison support for re-election as Mayor, and later as Governor, in return for his efforts to defeat the ordinances.

the legislators, — regardless of their partisan connections—who were responsible for the law, and the practically unanimous repeal of the law, at the next session of the legislature, is a most striking example of the power of public sentiment, when once aroused, in shaping and controlling legislative action.

All hopes of the companies, for securing a long term franchise, either from the city or the State, were now at an end. It was evident that at the expiration of their franchises in 1903, the companies would either be compelled to enter into new negotiations with the city, accepting a franchise for twenty years, upon such conditions as might be outlined by the city council,—or to place their sole reliance upon the Ninety-Nine Year act, the validity of which had not yet been tested, and upon which alone they had never previously rested their claims.

PART III.

THE MOVEMENT FOR MUNICIPAL OWNERSHIP.

CHAPTER VIII.

THE MOVEMENT FOR MUNICIPAL OWNERSHIP AND THE PASSAGE OF THE MUELLER BILL.

The failure of the city council to exercise the power given it by the Allen law, the repeal of that law by the legislature, and the general public hostility to the companies on account of the poor service rendered, convinced the companies of the futility of endeavoring to secure further grants by the use of their former methods. The public feeling that no new franchise or renewals should be granted without adequate guarantees of good service and proper compensation to the city, and that in order to make such arrangements the public was entitled to know something concerning the financial operations of the companies—this feeling had been rapidly growing.

The companies had refused access to their books to the Harlan Committee, but perceiving the drift of public sentiment, and realizing that the public could no longer be ignored in the formulation of their plans, the six leading companies[1] agreed to open their books to a committee of the Civic Federation and under the direction of this committee[2] the books were carefully investigated by Ed-

[1] Chicago City Railway Company, North Chicago City Railway Company, North Chicago Street Railroad Company, Chicago Passenger Railway Company, Chicago West Division Railway Company, West Chicago Street Railroad Company.

[2] The officers of this committee were La Verne W. Noyes, president; John W. Ela, vice-president; W. H. Brown, secretary; Isaac N. Perry, treasurer.

mund F. Bard, an expert accountant. The examination ended January 1, 1898, but was brought down to July 1, 1901, by Dr. Milo R. Maltbie.[3] The report was a comprehensive exposition of the financial manipulations of the companies, and pointed out that if the water were squeezed out, the companies could pay 20 per cent. of their gross income to the city, put aside 4 per cent. for a depreciation fund, and still declare 6 per cent. dividends. Or, according to the conclusion of the committee, fares could be lowered to 4 cents, 6 per cent. dividends paid, and 4 per cent. depreciation set aside.[4] The widespread publication of this report convinced the public, in view of the profits of the companies, that they could well afford to pay the city a generous compensation for their franchise rights, as well as to provide a more efficient service.

The extension ordinances of 1883 were to expire on July 30, 1903, and in anticipation of their expiration, public interest concerning the traction situation had begun to manifest itself even prior to the publication of the Civic Federation Report. These ordinances had in no wise extended the rights of the companies under the Ninety-Nine Year Act, but had merely postponed the decision for twenty years; and since their adoption, the attitude of the city and its officials, as well as that of the local press, had been one of constant opposition to the validity of the claims of the companies, under this act. The claims of the companies were that this act had extended all their rights and privileges for a period of ninety-nine years, but several newspapers commenced an agitation maintaining that by accepting the extension

[3] The facts for the last three and one-half years were gathered from the financial papers, principally the *Economist*. However, few changes had been made since January 1, 1898, and they did not materially affect the figures given by Mr. Bard.

[4] See page 48 of the Civic Federation Report.

ordinances, the companies had practically acknowledged that they had no further right to the use of the streets, and that with the expiration of these ordinances, the privileges in all streets granted therein, would expire. The Harlan Committee had reported that,[5] "the validity of the attempted extension of the street railway franchises and ordinance rights by the act of February 6, 1865, had never been adjudicated and is, and always had been, disputed by the city. That the claims of such ninety-nine years extension is one which cannot be substantiated, and could be effectually contested by the city, in the courts, were the issue to be taken there".

During this period, the cry for an improved service was the dominant one, for the street railway service of the city had been utterly inadequate for many years. The belief that, regardless of the advisability of actual municipal ownership, the city should be given the legal power to own and operate the street railways at the expiration of the extension ordinances, in order to be on a proper footing to secure a recognition of its just rights in negotiations with the companies, had been rapidly gaining ground. Following the Harlan report, the council, in December, 1899, adopted a resolution creating a commission to investigate the feasability of the municipal ownership of the street railways of the city, the conditions for renewal of the existing, or granting new franchises, and to report such measures or ordinances as they might deem advisable, the preamble of this resolution reading, "Whereas, the contractual relations at present existing between the companies operating the street car systems in Chicago, and the municipality of Chicago will shortly expire".[6] This commission, in its report, stated

[5] P. 37, Harlan Report.

[6] Transcript, Blair *vs.* Chicago, Vol. 1, p. 21.

the advisability of securing enabling legislation giving to the city the power to own and operate street railways, and Mayor Harrison in his annual message, in December, 1899, stated that a proposition for municipal ownership of the lines at the expiration of any new grant was one of the points, the consideration of which he deemed important, in connection with extension of franchises to the street railway companies.

On January 15, 1900, the council instructed the newly created street railway commission to report "what street car lines, if any, may be acquired by the city of Chicago, by virtue of the provisions of the ordinances under which the various street railways are operating".[7] On December 17, 1900, this commission made its report to the city council, in which it said that, "even if under the act of 1865 the companies should possess the right to keep tracks in certain streets until 1958, it is very questionable if it confers the right to operate by any other than animal power", and also pointed out that the companies had never actually exercised rights under the authority of the act of 1865, and that act alone, but that their claims under the Ninety-Nine Year Act had always hitherto been supported by grants from local authorities, and advising that "whenever the companies claiming rights under the act of 1865 are granted new privileges by the city council, they should be required, as a condition of such grants, to renounce any rights they may claim by virtue of this act of 1865".[8] The commission also reported the form of a bill it had framed regulating various matters connected with street railways, and providing for optional municipal ownership. Following this advice from its commission, the

[7] Transcript, Blair *vs.* Chicago, Vol. 1, p. 22.

[8] Transcript of Record, Blair *vs.* Chicago, p. 23.

council, on January 14, 1901, approved the draft of this reported bill, and directed the commission to take such steps as it might deem wise to promote the passage of such a bill by the legislature. Such a bill was submitted to the legislature, but never came to a vote.

On May 20, 1901, the council passed an ordinance creating a special committee of the city council, to be known as the Committee on Local Transportation, among whose duties it should be to "consider and devise plans for meeting the situation that shall arise when the street railway ordinances shall have expired in 1903." On December 16, 1901, this committee reported to the council the outline of terms which should be embodied in any ordinance given to the companies, and further said: "The immediate municipalization of the street railways of Chicago, as a practical proposition, most persons will readily admit, is out of the question. The wisdom of such municipalization in the future is an open question. . . . While we do not wish to commit the city definitely to the policy of future municipalization, neither do we wish to preclude the practical possibility of such action, if the people of the future shall desire such a policy. It is indeed unfortunate that the last general assembly of the State did not enact the necessary enabling legislation to give the city council full power to provide for future municipalization."[9]

During this period the advocates of municipal ownership were very active, promoting a constant agitation throughout the city in favor of municipal ownership as the only effective method of securing an efficient street railway service. The number of adherents to this theory had been growing with wonderful rapidity during these

[9] See report of Special Committee on Local Transportation to the City Council of Chicago, December 16, 1901. Section 1.

years. Many citizens who at first looked askance at the idea of municipal ownership and operation had come to believe that so long as the city was without the legal power to own and operate its street car lines, that the companies, being already in the streets, could not be forced to regard any requirement which the city might place upon them. The deplorable conditions of poor equipment, small cars, double fares, congestion of cars, and overcrowding, which then existed, served to give an impetus to this municipal ownership spirit, already generated. The belief that only by giving the city the legal power to own the roads could the companies be forced to render a good service, was unintentionally, but nevertheless surely, nurtured and developed into full grown faith in municipal ownership and operation by the abominable service continually furnished to patrons.

The utter inadequacy of transportation facilities offered to the public had caused some of the Chicago papers to raise a cry that "immediate settlement" ordinances should be given to the companies, urging that if further grants were given the service would be immediately improved. But in a message sent to the council on January 6, 1902,[10] Mayor Harrison said: "For my part, I regard myself as under a pledge to the people to do all in my official and individual power to bring about the possibility of municipal ownership. The question with me, then, is: Do the people desire municipal ownership?" He also pointed out that at that time the city did not possess the legal right to own and operate its railways, and that enabling legislation from the legislature would be necessary before any action could be taken in the direction of municipal ownership. He recommended

[10] Council Proceedings, January 6, 1902, p. 1689.

that any further ordinance granting privileges to the companies should be submitted to the people.

Accordingly, in the aldermanic election in April of 1902, through the efforts of the Referendum League, the abstract question of municipal ownership was put to a popular vote in this form, under the "Public Policy Act."[11] 1. Are you in favor of municipal ownership of street railways? The result was: Yeas, 142,826; nays, 27, 998.

Following this preponderant vote favoring the principle of municipal ownership, the city council authorized the mayor to appoint a special committee of five aldermen and five citizens, "to take steps to present the necessary bills to the legislature, and to do everything possible to carry out the will of the people, so decisively expressed at the recent election". In December, 1902, this committee submitted the draft of several bills providing for the necessary enabling legislation, and on January 21 a bill giving to Illinois cities the power to acquire, own, and operate street railways, was introduced into the Senate.[12]

During January and February of 1903, while this bill was pending before the legislature, the representatives of the companies met with the Local Transportation Committee, and an open discussion of the situation occurred. In closing the conference the committee said: "It is the sense of the committee that the grant (referring to any new franchise) be for a period of twenty years, and that the city shall have the right to take over the property after ten years, making allowance for the

[11] On May 11, 1901, the legislature of Illinois passed the "Public Policy Act", which provided that sentiment upon any question of public policy might be tested upon petition of 25 per cent. of the voters of the city, presented sixty days before election.

[12] By Senator Carl Mueller.

value of the unexpired part of said grants, as well as for the then value of the tangible properties. The committee will consider, at this time, the value of all unexpired franchises, including the value of the unexpired portion of the Ninety-Nine Year Act—if any—in connection with the question of compensation. In line with the foregoing the city council will proceed with its endeavors to secure enabling legislation, permitting municipal ownership".

On May 18, 1903, the legislature passed the bill, giving the cities the power to own and operate street railways, which has since become known as the Mueller law.

The chief provisions of the Mueller law are:

(1) Power is given to any city in the State to own, construct, acquire, purchase, maintain and operate street railways within its corporate limits, and to lease the same for any period not exceeding twenty years, upon such terms as the city council may designate.

(2) Although it may own its street railways, no city may operate them until the proposal to do so shall have been approved by a three-fifths vote of the electors.

(3) In making any grant or lease to a private company, the city can reserve the power to take over all or part of the street railways at or before the expiration of such grant, upon such terms as may be provided in the grant. Provision is also made that the city may give the grant to another company upon the terms that the city might have taken over the lines.

(4) City councils are given the right to give a grant for the construction and operation of a street railway in any of the streets of the city, without the consent of the owners of the land abutting the streets covered by such a grant.

(5) No ordinance authorizing a grant for a longer period than five years, nor any ordinance renewing any lease, shall go into effect until after sixty days from the date of its passage by the council. During that period, ten per cent. of the voters may demand a referendum, at

which a majority vote is necessary to render the ordinance effective.

(6) For acquiring street railways, either by purchase or construction, any city may borrow money, issuing its negotiable bonds therefor. But no such bonds shall be issued unless the proposition to do so is approved by a two-thirds vote of the electors, nor in an amount in excess of the cost to the city of the property for which such bonds are issued, and ten per cent. of such cost in addition thereto.

(7) In the exercise of any of the powers granted in this act, any city is given the power to acquire, take, and hold all necessary property, either by purchase or condemnation proceedings.

(8) In lieu of issuing bonds pledging the credit of the city, any city may issue interest-bearing "street railway certificates," which shall, in no case, become an obligation of the city, or payable out of any general fund, but shall be payable solely out of a specified portion of the income derived from the street railway property, for the acquisition of which they were issued. Such certificates can be issued to an amount ten per cent. in advance of the cost of the street railway properties.

(9) No ordinance providing for the issuance of such certificates shall be effective, until it is submitted to a popular vote, and is approved by a majority of the electors.

(10) This act is not in force in any city until the question of its adoption in such city is first submitted to the electors of that city, and approved by a majority vote.

In October of 1903, the council passed an ordinance providing for the submission of this act to a popular vote at the election of April 5, 1904, to determine whether it would become operative in Chicago. At that election the act was approved by a vote of 153,223 against 30,279. Together with the adoption of the Mueller bill, the two following propositions were adopted, as indicated:

(1) "Shall the city council, upon the adoption of the Mueller law, proceed without delay to acquire the ownership of street railways under the powers conferred by the Mueller law?" For—121,957. Against—50,807.

(2) Shall the city council, instead of granting any franchise, proceed at once, under the city's police power, and other existing laws, to license street railway companies, until municipal ownership can be secured, and compel them to give satisfactory service?. For—120,-863. Against—48,200.

CHAPTER IX.

TENTATIVE ORDINANCE REJECTED.

The Union Traction Company had commenced bankruptcy proceedings on April 22, 1903, and the unsettled condition of its affairs placed the city at a great disadvantage in endeavoring to secure an improved service, upon the North and West sides. However, negotiations were taken up immediately with the controlling South Side company, the Chicago City Railway. On August 24, 1904, the Committee on Local Transportation reported to the council an ordinance to that company, which became known as the "tentative ordinance". It was to run for twenty years. It recognized the validity of the claims of the companies under the Ninety-Nine Year Act, but commuted them and all other outstanding grants to the single period of thirteen years. A complete reconstruction of the system was provided for. At the expiration of the thirteen year period, and at the end of each year thereafter, during the life of the ordinance, the city was given the right to purchase for itself, or for any licensee named by it, the property of the company. However, at this time, the sentiment for immediate municipal ownership as opposed to the giving of a twenty year grant was very strong. In the spring of 1905, Edward F. Dunne was nominated by the Democratic party as its candidate for mayor upon an "immediate ownership" platform. The plan advanced by Mr. Dunne and his followers was that the city should at once open negotiations with the companies for the purchase of their properties and their unexpired franchise rights; but that in case the city and companies

should fail to reach an agreement, the city should proceed immediately either to secure the ownership of the street railways by condemnation proceedings, as provided for in the Mueller law, or to establish new lines in place of those in operation. The Republican party nominated as its candidate Mr. John M. Harlan, upon a platform favoring a settlement along the lines suggested in the tentative ordinance.

Mr. Dunne was elected mayor. At this election these questions were submitted with the following result:

(1) Shall the city council pass the ordinance reported to it by the Local Transportation Committee, on August 24, 1904, granting a franchise to the Chicago City Railway Company?

Yeas—64,381. Nays—150,785.

(2) Shall the city council pass any ordinance granting a franchise to the Chicago City Railway Company?

Yeas—60,020. Nays—151,974.

(3) Shall the city council pass any ordinance granting a franchise to any street railway company?

Yeas—59,013. Nays—152,135.

The remarkable fact about this election was that in every ward in the city there was a large majority against these propositions. The people had manifested themselves as being opposed to the granting of any further franchise to any street railway company, and as being in favor of securing immediate municipal ownership.

On July 5, 1905, Mayor Dunne submitted to the council two plans for procuring municipal ownership. One plan proposed an ordinance for the issuance of "street railway certificates" with which to purchase the lines, and for municipal operation. The other plan, known as the "contract" plan, provided for a body of trustees who should construct a street railway system, holding and operating the same until the city should be able to take over the system, and operate it.

The fact that the Ninety-Nine Year Act had not yet been decided by the courts, placed the city at a great disadvantage in its dealings with the companies. During the following year the companies continued their negotiations with the Committee on Local Transportation, endeavoring to secure further franchises, but on January 18, 1906, the council passed an ordinance providing for the issuance of $75,000,000 in street railway certificates, according to the provision of the Mueller law, with which to equip the street railway properties.

CHAPTER X.

DECISION OF THE NINETY-NINE YEAR ACT.

Following the series of failures on the part of the companies to secure, either from the legislature or the city council, effective long term grants with which to back up and fortify their claims under the Ninety-Nine Year Act, they based their sole reliance for long term privileges upon their alleged rights under this act.

The various steps taken by the council looking towards renewal of franchises in the years immediately preceding 1903 had ignored the rights claimed by the companies under this act, and the attitude of the city officials had been one of opposition to any recognition of its validity.

As the result of the various acts on the part of the city and the city officials, based upon the assumption that many of the street privileges of the companies would expire in 1903, the validity of the act was taken into the courts by the receivers of the Chicago Union Traction Company, and its underlying lines, the North Chicago Street Railroad Company, and the West Chicago Street Railroad Company. These receivers had been appointed by the Guaranty Trust Company of New York, which held judgments of $318,690.66 against the Chicago Union Traction Company, $656,052.66 against the North Chicago Street Railroad Company, and $270,440 against the West Chicago Street Railroad Company. No property being found with which to satisfy these judgments, receivers had been appointed for the properties of all three companies.

On July 18, 1903, the receivers for these companies filed two bills in the Circuit Court of the United States for the Northern District of Illinois, one against the City of Chicago, the Chicago West Division Railway Company, the Union Traction Company, and the West Chicago Street Railroad Company, the other against the City of Chicago, the Chicago Union Traction Company, and the North Chicago City Railway Company.

The first bill stated, that under the order of the Court, as receivers, the complainants were in possession of a system of street railways in the West division of the city, that the property included all the rights, privileges, and franchises originally granted to the Chicago West Division Railway Company, by the State of Illinois, which rights had, by lease and purchase, become the property of the Union Traction Company. That said receivers had been directed by the Court to make certain expenditures,[1] for which it was necessary to issue receiver's certificates, which they found impossible to do on account of the many hostile acts of the city of Chicago, its council and its mayor, in declaring that many of their franchises were about to expire in 1903—which acts constituted an impairment of the contract rights and franchise secured to the companies, as granted by the legislature of Illinois on February 4, 1859, and as extended for a period of ninety-nine years, on February 5, 1865.

The second bill stated that the receivers were in charge of one hundred miles of street railroad and franchises belonging thereto, in the north division of the city, including a franchise originally granted to the North Chicago City Railway Company, but which were now the property of the Union Traction Company.

The bills maintained that all street privileges granted

[1] Five hundred and eighty thousand dollars.

to the North Chicago City Railway Company and to the West Division Railway Company, prior to 1865, were, by virtue of the act of 1865, extended for a period of ninety-nine years, and therefore requested that the Court should decree the Chicago West Division Railway Company and the North Chicago City Railway Company to be vested by the State of Illinois with the franchises and right to own, maintain and operate their street car lines upon all streets given prior to the passage of the act of 1865, for a period of ninety-nine years from the date of the incorporation of said companies, and thereafter, until the city should purchase the lines upon their then appraised value, according to the terms of the ordinance contract.

The answer filed by the city contended that the act of 1865 was unconstitutional, that as construed by the companies it was void, that said act did not extend the duration of the franchises beyond the time fixed in the various ordinances given to the companies by the city; that the time for operation of certain of the lines existing under ordinances passed prior to July 30, 1883, expired on July 30, 1903, by reason of the time fixed in the extension ordinance, and by reason of the limitation placed upon the city by the City and Village law, which forbade franchises being given for any period exceeding twenty years. Certain other minor points were brought out during the litigation, both by the city and the companies, but these are the grounds upon which the contention as to the extension of franchise rights was made.

The case having been tried, the Circuit Court held that the legislative acts of 1859, 1861, and 1865 constituted a grant to the companies to use the streets of the city, to be designated by the council; and that the act of 1865 extended the franchise of the companies for ninety-

nine years, the extended life of the corporation; but that these acts constituted a grant by the legislature of only such streets as were authorized to be used or occupied by the city before it elected to be governed under the City and Village law; and that after May 3, 1875, the date when the city was incorporated under said City and Village law, all street privileges given to the companies were regulated by the city ordinances affecting the same.

However, the case was carried to the United States Supreme Court, where the decree was reversed.[2] The opinion of the Court, delivered by Judge Day, which was announced on March 12, 1906, and filed on April 2, 1906, stated that the Act of February 6, 1865, amending the Act of February 14, 1859, had the effect of extending the corporate lives of the North Chicago City Railway Company, the Chicago City Railway Company, and the Chicago West Division Railway Company for a term of ninety-nine years. It affirmed the contracts with the city prescribing rights and privileges in the streets of Chicago, in all respects as theretofore made. It recognized and continued in force the right of the city and companies to make contracts for the use of the streets upon such terms and conditions as might be agreed upon between the council and the companies; but held that the ambiguous phrase "during the life thereof" in the act of 1865 did not operate to extend the existing franchises for ninety-nine years, nor limit the right of the city to make future contracts with the companies, covering shorter periods.

The Court also held that the North Chicago City Railway Company had no right to the use of the streets until purchase by the city; inasmuch as the ordinances granting it rights, of May 23, 1859 expressly provided "for

[2] McKenna, Brewer, and Brown dissenting.

twenty-five years and no longer." However, the right of the Chicago West Division Railway Company to occupy the streets until purchase by the city was affirmed, inasmuch as the grant given on the same date, to the Chicago City Railway Company, from which the Chicago West Division Railway Company secured its rights, was for twenty-five years and until purchase by the city.

CHAPTER XI.

THE WERNO LETTER.

The decision on the Ninety-Nine Year Act placed the city in a much more advantageous position to deal with the companies. The last vestige of claim to long term grants was banished. The only rights of the companies which the city was now compelled to recognize were (1) the right to operate upon certain streets until purchase by the city, (2) the right to operate on a few streets, the franchises for which had been granted since 1883, and had not yet expired, and (3) the right to operate the remainder of the system at the sufferance of the city, subject to its orders to cease operation at any time, without any obligation on the part of the city to purchase their tangible property.

In accordance with the provision of the city council of January 18, the proposition as to whether or not the city should issue $75,000,000 of railway certificates was submitted to a vote at the April election in 1906. The result indicated that a majority of the voters believed that if the city was to proceed to municipal ownership, the issuance of certificates was an absolute necessity.

The propositions voted upon at this election and the results were:

(1) Shall the $75,000,000 street railway certificate ordinance be approved?

Yeas—110,225. Nays—106,859.

(2) Shall the city of Chicago proceed to operate street railways?

Yeas—121,916. Nays—110,323.

(3) Shall the council proceed to secure municipal ownership under the Mueller law, instead of granting pending franchise ordinances, or any other ordinances granting franchises to private companies?

Yeas—111,955. Nays—108,087.

Both the first and third propositions carried, but the operation proposal was defeated, inasmuch as the Mueller law required a three-fifths vote for municipal operation.

A majority of the votes had now been unmistakably cast for municipal ownership on several occasions; the city was authorized to issue $75,000,000 of railway certificates with which to acquire the lines, but it lacked the right to operate. The Committee on Local Transportation therefore requested Mayor Dunne to outline the plans upon which he would suggest that any settlement with the companies be made, and on April 12, 1906, Mayor Dunne sent to Alderman Charles Werno, chairman of the committee, a letter embodying what he considered should be the salient features of any plan of settlement. He pointed out that the work of this committee divided itself into two parts:

"First—The accomplishment of municipal ownership of the street railway system, and

Second—The improvement of our street railway service while municipal ownership is being established."

In making plans for the immediate improvement of the service, he said "the controlling consideration must be that nothing shall be done which will impair the right of the city to acquire the street railway system as soon as it has established its financial ability to do so. The first practical step to be taken, appears to me, to be to request the existing companies at once to indicate to your committee whether they are willing to enter into an agreement to sell to the city all their tangible property and unexpired rights, at a price to be now fixed, and to

undertake the improvements of their service immediately . . . the city to have the right to take over this property at any time, upon reasonable notice. If they will join in the reconstruction of their entire system, upon plans to be adopted by the city with their concurrence, which shall provide for unified service, through routes, universal transfers, and operation under revocable license, then they should be adequately assured of the payment of their present property and additional investment, when the city does take over their lines, and they should receive a fair return upon this present and future investment and some share of the remaining net profits while they continue to operate. Subject to these provisions, the profits of operation should go to the city as a sinking fund for the purchase of the property."

The committee at once opened negotiations with the companies along the lines outlined by Mayor Dunne in this letter. While these negotiations were in progress, Judge Windes of the Circuit Court, on September 15, rendered a decision upholding the validity of the Mueller law, and the $75,000,000 railway ordinances. The case was immediately appealed to the Supreme Court of Illinois; the general public opinion being that the decision of the lower court would be affirmed.

PART IV.

THE PROBLEM OF 1906-7.

The conditions which the Committee on Local Transportation was called upon to face, in drafting new ordinances along the lines suggested in the Werno letter, were most complex and confusing. There was a decided difference of opinion between the representatives of the companies and of the city as to the status of the franchises under which the companies were operating, a variance as to the value of the properties, as well as a divergence of public opinion as to the plans which should be adopted by the city, in arriving at some settlement with the companies. In order that the reader may better understand the complexity of the problem at that time, we have endeavored to outline the conditions which confronted the committee.

CHAPTER XII.

THE COMPANIES.

The companies with which the committee must negotiate were the Chicago Union Traction Company, controlling the traction situation on the North and West Sides, and the Chicago City Railway Company, occupying a similar position on the South Side. The control of these companies even extended into the outlying districts; and although there were a few minor suburban companies in operation, these two were the only ones with which the public generally was concerned in its demands

for an improved service. A brief sketch of the steps in the development of these two companies follows:

CHICAGO UNION TRACTION COMPANY.

The first company operating a street railway upon the North Side was the North Chicago City Railway Company, which was incorporated in 1859, with a capital stock of $500,000. This company rapidly developed a very profitable system, and by 1886 it had 45 miles of track in operation, the market value of its stock being about $500 per share.

On May 24, 1886, this company entered into an agreement with the North Chicago Street Railroad Company, by which the North Chicago City Railway Company conveyed to the latter, for a term of 999 years, all its property and franchises, in return for which the North Chicago Street Railroad Company agreed to pay the interest on all bonds and mortgages of the North Chicago City Railway Company, and also to make a yearly payment of 30 per cent. on its capital stock. The company immediately began operation of the North side lines, and by 1899 it owned property, the original cost of which was about $7,000,000.

In 1863 the Chicago West Division Railway Company had purchased from the Chicago City Railway Company all the West side lines of the latter, together with its franchise privileges in the West division of the city, the consideration being generally understood to be about $200,000. Following this purchase the West Division Railway Company operated and developed its system, and in 1887 was operating about 100 miles of track, and had a total of outstanding liabilities of $5,468,071.17.

On February 12, 1883, the Chicago Passenger Railway Company was incorporated with a capital stock of $1,000,000, and by 1888, this Company was operating

about 30 miles of track in the West Division, some of its lines possessing down-town terminals.

On July 19, 1887, the West Chicago Street Railroad Company was organized, with a capital stock of $10,000,000, for the purpose of securing control of all street car lines on the West side. On October 20, 1887, this newly organized company secured a lease covering the properties and franchise rights of the Chicago West Division Railway Company—the new company agreeing to pay the interest on the bonds and mortgages of the West Division Company, and as rentals, a sum equal to 35 per cent. on its capital stock.

By similar leases of November 16, 1888, and March 15, 1889, the West Chicago Street Railroad Company secured control of the Chicago Passenger Railway Company, guaranteeing the interest on its bonds, and as rentals, a sum equal to 5 per cent. of its capital stock. On April 1, 1899, the new company also secured from the West Chicago Street Railroad Tunnel Company, for 999 years, the exclusive use of the Jackson Street Tunnel, yet to be built. Immediately upon securing control of its lesser companies, the West Chicago Street Railroad Company began the operation and extension of the West side system, until on December 31, 1897, the cost value of its property was[1] $16,317,139.34. In the month of February, 1899, a corporation, known as the Chicago Consolidated Traction Company, with a capital stock of $15,000,000 acquired by purchase the properties and rights of the North Chicago Electric Railway Company, Chicago Electric Transit Company, North Side Electric Street Railway Company, Chicago and Jefferson Urban Transit Company, Cicero and Proviso Street Railway Company, Ogden Street Railway Company, Evanston

[1] Civic Federation Report.

Electric Railway Company, and North Shore Street Railway Company, all of which were suburban lines being operated on the North and West Sides.

On May 24, 1899, was organized the Chicago Union Traction Company, for the purpose of securing control of all the North and West side companies. On June 1, 1899, this company leased all the property and franchises of the North Chicago Street Railroad Company, and the West Chicago Street Railroad Company, thereby becoming the operating company for these two companies. By the terms of the lease, the Union Traction Company agreed to assume all obligations of the lessor companies, to guarantee their bonds, to pay all sums provided for in the preceding agreements between the companies, to pay the North Chicago Street Railway Company a sum equal to 12 per cent. annual dividend upon the capital stock of that company, and to pay the West Chicago Street Railroad Company a sum equal to 6 per cent. a year upon its capital stock. The Union Traction Company was capitalized at $32,000,000, of which $12,000,000 was preferred stock and $20,000,000 common.

On December 1, 1899, the Union Traction Company made an operating agreement with the Chicago Consolidated Traction Company whereby it secured control of that company. Though it issued no bonds of its own. the bonds of the North and West Side Companies, and the Consolidated Company, guaranteed by the Union Traction Company, amounted to $32,527,000. On July 1, 1900, the total original cost of the assets was $2,213,132, while its liabilities were $34,233,165. Owing to the swollen condition of its liabilities, the company was able to pay dividends for but a short time, and in 1903 began bankruptcy proceedings, though continuing to operate its lines. The operations of this company in

overcapitalizing its properties were characteristic of the methods employed by many public service corporations operating under municipal franchises. However, the public was most interested, not in the financial manipulations of the company, but in securing an improvement in its service. In 1906 the company was operating 486.32 miles of track in the North and West divisions of the City.

THE CHICAGO CITY RAILWAY COMPANY.

The Chicago City Railway Company was incorporated on February 14, 1859, with the power to construct and operate railways in the South and West Divisions of the city. In 1863 this company sold its West Side lines and franchises to the Chicago West Division Railway Company, but continued its operations on the South Side, gradually developing the system, until in 1906, it had extended its lines in a complete net work over the entire portion of the city south of the south branch of the river. The capital stock of this company in 1906 was $18,000,000, and it was operating 218.95 miles of track.

CHAPTER XIII.

STATUS OF THE FRANCHISES UNDER WHICH THE COMPANIES WERE OPERATING.

FRANCHISES EXPIRED.

All the street privileges, the grants for which were made for a definite number of years, prior to the adoption of the extension ordinances in 1883, and which were included therein, had expired.

FRANCHISES OPERATIVE UNTIL PURCHASE BY CITY.

All the street privileges granted to the Chicago City Railway Company by the ordinance of May 23, 1859, were operative until the city should purchase the physical property constituting the lines operating under said grants, upon six months' notice and appraisal; inasmuch as this ordinance merely ratifies the original ordinance of August 16, 1858, which granted the right to use the streets therein named for twenty-five years and until purchase by the city. The rights to the streets named in this ordinance had later been deeded to the Chicago West Division Railway Company, and were now controlled by the Union Traction Company.

Following the passage of the ordinances of 1858 and 1859, and prior to the passage of the extension ordinances, the council had passed occasional ordinances which were to continue in force until the lines constructed under these grants should be purchased by the city.

FRANCHISES UNEXPIRED.

Since the pasasge of the extension ordinances, the council had granted a number of franchises for twenty

year periods, which would expire at various times between 1907 and 1921.

As to the status of all franchises which clearly came under one of the above three heads there was practical agreement between the representatives of the city and of the companies. However, there was a large number of franchises concerning which there was considerable dispute as to the date of expiration.

FRANCHISES IN CONTROVERSY.

In granting extensions of certain main lines, from time to time, the council had provided in the ordinance granting the extension, that the company to which the franchise was given should operate for a single fare over both the main line and the extension. The companies, therefore, claimed that the city had extended, by operation of law, the franchise upon the main line until the expiration of the franchises upon the extensions.

The greatest difference between the claims of the city and the companies was as to whether the franchises upon particular streets had expired by limitation, or whether such franchises authorized the companies to continue operation on these streets until the city — or in some cases, its licensee,—should purchase and pay for the physical property upon an appraised valuation. This contention arose because of the fact that since the passage of the extension ordinances, in 1883, the city had given franchises to the companies, for extension lines, such grants being given for a definite period, generally twenty years, but providing in the ordinance that the grantee company should connect the extension lines with its already existing lines, and requiring that passengers be carried for a single fare over the entire system of the company, a part of which possessed the right to operate

until purchase by the city. The companies claimed that all provisions requiring connection of extensions with lines operating under franchise effective until city purchase, operated to postpone the exercise of the city's right to purchase until the expiration of the period stated in the ordinance covering the extension line. The following summary shows the classification of franchises, according to the claims of the city, and of the companies.[1]

[1] P. 19, Report of Traction Valuation Commission.

CLASSIFICATION OF FRANCHISES.

	Chicago City Railway Company.		Chicago Union Traction Company.	
Date of Expiration.	Number Claimed by City.	Number Claimed by Company.	Number Claimed by City.	Number Claimed by Company.
Expired	71	29	170	114
Purchase (6 months)	12	56	18	74
1906	2	2	..	..
1907	13	12	12	12
1908	..	..	4	4
1909	7	7	4	4
1910	..	..	1	1
1911	..	..	4	4
1912	13	12	18	18
1913	2	2	..	..
1914	6	6	11	11
1915	12	12	14	14
1916	3	3	9	9
1921	..	..	1	1
Totals	141	141	266	266

CHAPTER XIV.

VALUE OF PROPERTIES.

On September 27, 1906, the companies submitted to the Committee on Local Transportation, the price for which they would sell their properties to the city, and accept a lease from the city along the lines suggested in the Werno letter.

The price demanded by the Union Traction Company for its tangible property was $29,294,472, and for its unexpired franchise rights and other intangible values $13,825,040, or a total of $43,119,512. The Chicago City Railway Company submitted the value of its tangible property as $20,103,436 and the value of its intangible property as $30,426,164. These estimates were considered excessively high and the committee appointed a special valuation commission, to consider the detailed inventories and estimates of value to be submitted by the companies, and to ascertain whether the valuations thus listed were "reasonable, just, and fair". This commission secured expert services in estimating the various properties, franchises, etc., owned by the companies. The inventories and estimates of value were submitted by the companies on June 30, 1906, and no account was taken by the commission of any improvements in the system after that date; the franchise values were also submitted as for the same date.

The companies, in their estimate of the franchise values, based their claims upon an average length of franchise of seven years for the entire street railway system. In supporting this claim the companies agreed that before attempting to purchase the lines, the city

would not only have to establish its legal rights to do so, but would also have to demonstrate its financial ability to raise the necessary funds, before a purchase, either voluntary or through the power of condemnation, could be consummated.[1] However, the commission was advised by its special traction counsel[2] that the city could reasonably expect to acquire the property in from twelve to twenty-four months from January 1, 1907, if the Supreme Court should sustain the Mueller law. Therefore the commission reported "that the value of the present franchises should be determined for the purpose of the pending negotiations upon the theory that the city will be held to possess the power necessary to acquire the present railway properties either by eminent domain proceedings, or otherwise, and that a fair and reasonable adjustment of the matters in dispute would be to allow the companies the value of the right of operation for eighteen months, on the streets where the franchises are now claimed to have expired, or are subject to city purchase, and to estimate each of the unexpired term grants as running to the dates of their respective terminations". Accordingly the commission estimated the existing street privileges upon this basis.

Concerning the question of what allowance should be made for the pavement in the right of way of the companies, the commission was advised by its counsel that the legal title was in the city of Chicago, and not in the companies, and therefore the commission did not consider the value of the pavement as a part of the physical property, although for purposes of inspection the value of the pavement was carefully estimated and submitted with the report.

[1] Report of Traction Valuation Commission, p. 15.

[2] Walter B. Fisher.

The commission, which first met on July 9, 1906, submitted its reports to the Committee on Local Transportation on December 10 of that year. This report, based upon the eighteen-month franchise period, gave the total values of the existing tangible and intangible properties of the companies as follows:

	Without Paving.	With Paving.
Chicago City Railway Company.....	$20,536,510	$22,369,068
Chicago Union Traction Company..	26,116,237	28,625,714
Total	$46,652,747	$50,994,782

CHAPTER XV.

COMPENSATION.

Aside from the expenditures made by the companies in their rights of way, the only compensation which had been made to the city, by the companies, for their franchise rights, was the $50 car tax provided for in the extension ordinances. However, a comparison of the actual amounts received from this source, with the number of cars owned and operated by the companies, disclosed the fact that the novel method[1] adopted of computing the car taxes, was decidedly favorable to the companies.

In the year 1906, the city received from the Chicago Union Traction Company in car taxes $40,257.25,[2] while the report of the company for that year showed 2523[3] cars owned and in operation, which at a $50 stationary car tax would have brought into the coffers of the city $126,150. The Chicago City Railway Company in the same year paid $36,487.50 in car taxes, while its reports show a total of 2181 cars owned, which at $50 per car would yield taxes to the amount of $109,050.

The amounts received by the city from car taxes since the adoption of this system were:

---

[1] Cf. p. 14.

[2] Taken from the City Revenue Ledger, Comptroller's office.

[3] Reports filed by the company in *Street Railway Investor's Guide* for 1906.

1884.....	$24,614.05[4]	1894.....	$70,429.67
1885.....	26,852.55	1895.....	72,436.76
1886.....	30,530.85	1896.....	68,816.00
1887.....	34,310.82	1897.....	81,028.45
1888.....	35,321.32	1898.....	80,581.03
1889.....	38,058.31	1899.....	79,645.61
1890.....	39,633.25	1900.....	105,058.09
1891.....	45,848.55	1901.....	120,898.64
1892.....	47,385.94	1904.....	172,997.12
1893.....	58,947.50	1905.....	52,550.00[5]

[4] The amounts up to and including 1901 were secured from the report of F. V. Brandendecker, City Collector, December 31, 1901, and the amounts for the years 1904 and 1905 were secured from the 49th report of the City Comptroller, p. 62.

[5] The apparent discrepancy between the amounts received in 1904 and 1905 is caused by the fact that the Chicago Union Traction Company paid $138,221.95 towards the erection of the West Division Street Bridge, which amount was remitted from its car taxes. See 24th annual report of the Department of Public Works.

CHAPTER XVI.

SERVICE.

OVERCROWDING.

Apparently no effort was being made by the companies to supply sufficient cars comfortably to accommodate the traffic, the number of cars operated being entirely insufficient to meet the needs. Especially was this true in the business district. In providing traction facilities for this district the companies seemed never to have forgotten the significant statement, reputed to have been made by Mr. Yerkes that "the strap hangers pay the dividends." The conditions of overcrowding which prevailed during rush hours in the districts in which large numbers of laboring people reside, were absolutely revolting. During that portion of the day, the cars were invariably packed to their utmost capacity, many passengers being compelled to stand clinging to straps, while others were packed and jammed into the aisles and vestibules. The operation of many small and antiquated cars was one of the causes for the existing condition of overcrowding.

On July 10, 1905,[1] the council had passed the "Service and Comfort" ordinance, which was a comprehensive measure intended to secure both comfort and safety to passengers. It contained provisions regarding heating and ventilation together with a clause providing that the companies "should keep the tracks on which such cars are operated and the car itself in such condition as to insure and provide the reasonably safe, convenient, and

[1] Published by authority of the council on October 23, 1905.

comfortable transportation of passengers, without unnecessary noise and jolting, and to furnish a sufficient number of cars on each separate line, to carry possengers comfortably and without overcrowding," and provided a penalty of from $25 to $100 for each car operated in violation of this law. Apparently no effort had ever been made by the companies to obey this ordinance. In the month of December, 1905, Dr. Maurice L. Doty, special traction commissioner for the city, had conducted a series of investigations as to the condition of overcrowding. As a result of these investigations, the city filed suit against the City Railway Company for $500,000, alleging 5000 specific violations of this ordinance; and for $1,500,000 against the Union Traction Company, alleging 15,000 specific violations. The companies then secured an injunction against their further prosecution,[2] but in October, 1906, the State Supreme Court reversed the injunction, and left the city free to proceed with its prosecution of the companies. The suit was then taken to the Circuit Court of Cook County. Here the companies denied the validity of the ordinances under which the penalties were claimed, on the grounds that

"1st. The organic law of the city of Chicago forbids a penalty in excess of $200 for a single offense.

2d. It is ambiguous and uncertain.

3d. It is unreasonable."

The particular paragraphs of the ordinance, under which suit was brought, read as follows:

"It shall be unlawful for any person, or corporation operating street railway cars wtihin the city of Chicago to permit any car to be in use, or to be operated,—unless there shall be furnished a sufficient number of cars on each separate line to carry passengers comfort-

[2] Given by Judge Mack, of the Circuit Court.

ably without overcrowding, and which cars shall be run upon a proper and reasonable time schedule. Any person, firm, company, or corporation who shall be guilty of violating any of the provisions of the preceding section shall be fined not less than $25, nor more than $100 for *each* car operated in violation of this law, and each day of operation of such car shall be considered a separate offense".

The Court held that under this peculiar wording, "the sole question is—are there sufficient cars—if so, the company may operate—if there are not, it is unlawful for the company to operate any cars. Therefore, the penalties under this ordinance may amount to thousands of dollars for a single offense of not providing sufficient cars on any separate line," and for that reason, held the ordinance to be void. The Court further said, "How are we to ascertain whether or not passengers are carried comfortably? Personal comfort indicates a state of mind. The law must declare to a common intent what the offense is—it cannot be left to the eccentricity of the individual or the caprice of a jury. The same is true of overcrowding. What is a crowd on a street car? Clearly the law required some method of expression in exacting a prohibition, which will leave no doubt in the minds of the persons affected as to what rule or standard of conduct is required." Accordingly, the Court held the ordinance to be void for not defining with certainty the offense which was condemned. The case was immediately appealed by the city to the State Supreme Court, where the question of the validity of this ordinance is yet pending. Out of about 3,000 cars in daily operation, every one was probably overcrowded at some time during each day. That the condition of overcrowding was much worse than in any other large city, is an undoubted fact.

How much the system of collecting a $50 car tax on

the basis of 13 trips per day, per car, was responsible for this condition, it is impossible to state, although its influence was probably slight. The greatest factor in producing this condition was, beyond doubt, the abnormal greed of the companies, and their desire to refrain from any further investment in equipment, and thus maintain dividends upon their immense amount of watered stock.

CONGESTION OF CARS.

Instead of a system of through routes, whereby cars could be operated in a continuous journey between the northern and southern city limits, and to and from the West side to either the North or South side, both companies treated the heart of the city as the proper place for their terminal points. Every car which came into the down town district had to reverse its journey, generally by means of a switch, although a few loops were in use. On many of the main thoroughfares, cars came in from the North and South sides, approached within a few feet of each other, where they stopped to switch, each car reversing its position and returning to the outer terminal of the line. This process occasioned much congestion of cars in the crowded district. Often over one hundred cars used the same switch in an hour, and several cars could be seen, waiting their turn to switch, thus blocking the streets with cars on track. Such a system was a constant source of obstruction to traffic, and an effective preventative to rapid street railway transportation.

CARS IN TRAINS.

The companies were adhering to a practice, long abandoned elsewhere, of operating their cars, in the business district, in trains. The practice probably originated in Chicago during the period when horse cars were used on the outlying lines and cable was used on the main lines,

and in order to save the passengers from changing cars, each cable car would collect horse cars at intersecting points, and thus trains were formed and carried down town. However, with the introduction of the trolley the companies had not abandoned this antiquated system.

The irregular jerking of the cars hauled in trains was annoying, especially so inasmuch as most of the trail cars were of exceedingly light construction, permitting every defect in the track to be felt throughout the car. But a more serious objection to this system of operation was the blockading and congestion which it caused at the corners and points of intersection, as a train of two or three cars when stopping, often completely blocked traffic. Of the cars in operation in 1906, the Union Traction Company owned 631 trail cars and the City Railway Company owned 552.[3]

TRANSFERS.

The proposition of securing transfers from one part of the city to another, had always been one of the greatest problems in the Chicago traction situation. No transfers were being issued between the Union Traction Company and the City Railway Company. The fact that both of these companies operated in the heart of the down town district made the matter especially vexing, and the demand that some system of universal transfers be embodied in the plan of settlement was a pressing one.

In the first ordinance, granted on August 16, 1858, authorizing the Chicago City Railway Company to construct and operate lines on the South and West sides, was included the requirement that "the ride for any distance shall not exceed five cents." However, when in 1863, the Chicago City Railway Company deeded its privileges

[3] Figures taken from reports of the companies in the *Street Railway Investor's Guide* for April, 1906.

to the Chicago West Division Railway Company, this requirement was ignored, and under this divisional arrangement, each company collected a five cent fare for a ride on its line, and never since then had transfers been given from the companies controlling the West Side lines, to the lines of the Chicago City Railway Company, although an ordinance had been passed by the city council, compelling transfers to be given between the West and South side lines. However, the companies denied the right of the city to make such a requirement, and a period of litigation had followed, Judge Grosscup of the United States Circuit Court deciding that the ordinance was invalid, and that it was not within the power of the city to pass it in view of the fact that the companies had franchises, some of which authorized them to collect a five cent fare, and such a transfer system would in some cases have deprived them of this right. The city then appealed the case to the United States Supreme Court, where the case is yet pending.

Various devices had been used by the companies to evade any requirements for transfers. The Chicago City Railway Company, at various times, had adopted rules concerning transfers which were quite confusing—once demanding that transfers be given just before alighting, again adopting a rule that transfers be given only at time of payment of fare,—and at one time the company refused to grant transfers upon transfers, thus enabling it to collect many double fares for continuous trips in the same direction.

A much more clever scheme had been adopted by the parties in control of the companies on the North and West sides. The Chicago Consolidated Traction Company, organized in January, 1899, had acquired all the lines of the companies of the North and West sides of Chicago, while the Union Traction Company, or-

ganized in May, 1899, acquired (by lease) the main lines of the same companies. The bonds of the Consolidated Company were guaranteed by the Union Traction Company, the management of the Consolidated was in control of the Union Traction Company, the officers of the two companies were identical, their offices were together, and the Consolidated Company ran its cars over the lines of the Union Traction Company. In purpose and fact there was but one company, the Chicago Union Traction Company, but pretending separate ownership, both companies refused transfers and each company collected a separate fare.

On June 26, 1890, the city council had passed an ordinance requiring every company operating in Chicago to issue transfers at any intersecting point on its own lines. This ordinance, was, however, quite generally disregarded, especially by the Union Traction Company, until in December, 1901, prompted by the protest of many patrons of the roads, the city brought suits against the Union Traction Company, to recover penalties for refusing to grant transfers as provided by the ordinances. These cases, of which there were eleven, were first taken before Justice Gibbons, but appeals were taken to the Criminal Court, where Judge Ball rendered decisions favorable to the city. The litigation was finally carried to the Supreme Court of Illinois, which, on October 25, 1902, decided that the city possessed the power to require transfers, the Court holding that the power to fix fare includes the power to provide for transfers.[4] By this decision, each company was compelled to grant transfers on its own lines. On the same day the Court handed down another decision, stating that "the Chicago Consolidated Traction Company bears such a relation to the Chicago

[4] Mr. Chief Justice Magruder delivered the opinion of the Court. See Ills. 199, pp. 484, 579.

Union Traction Company as to be regarded as the 'same corporation' in so far as transfer tickets are concerned", compelling the Chicago Union Traction Company and the Chicago Consolidated Traction Company to exchange transfers. Since this decision, the Chicago City Railway Company, and the Union Traction Company[5] had issued transfers on their own lines, as had all the minor companies. However, no transfers were issued between these two controlling companies.

That a complete reconstruction of the roads, doing away with the system of divisional operation and providing for through routes, a sufficient number of well-equipped cars, and universal transfers should be a first essential of any plan of settlement, was generally conceded. Many students of the problem claimed that even such a system would fail to relieve the congestion and provide the city with a satisfactory service, and that no solution could be permanent without providing for a down-town subway loop. The service being furnished was undoubtedly worse than of any other important city. The demand for an improved service was pressing. The need of some solution was imperative.

Out of these chaotic conditions and confusing claims, which existed as the culmination of a long chain of litigation and unsystematic legislation, arose the problem before the committee of securing as soon as possible the complete reconstruction and equipment of the street railway system, with the assurance that it would be operated at the highest standard of efficiency, upon terms fair both to the city and to the companies, and providing for the possibility of future purchase of the system by the city.

---

[5] Including the Consolidated Company.

PART V.

DEVELOPMENTS OF 1907.

CHAPTER XVII.

PASSAGE OF NEW ORDINANCES.

On January 15, 1907, the Committee on Local Transportation reported two ordinances to the city council. Previous to this time the local press had been united in its demands that no settlement of the traction question shiuld be made by the city council, without the approval of the electorate, and the council had adopted a resolution promising that no new street railway ordinance would be passed without being submitted to a popular vote. However, with the submission of these ordinances to the council, many of the leading papers of the city began an agitation for their immediate passage, without waiting for the referendum, their argument being that the ordinances could not be put to a vote until April, but if adopted at once by the city council, the companies could begin the work of reconstruction and improvement immediately.

Soon considerable feeling was manifested in opposition to passing the ordinances without giving the people an opportunity to understand thoroughly their contents and to vote upon them. A resolution was introduced in the committee[1] providing that the committee should recommend the adoption of these ordinances by the council, unless a petition was filed for a referendum at the April election; but if such a petition was filed, the ordinances should be amended, to the effect that they would

[1] By Alderman Foreman.

not become effective unless a majority of the votes cast at the April election should approve them, and, that with this amendment the ordinances should be passed by the council at once. This resolution was adopted and in accordance therewith the ordinances were passed February 4, by the Council, the vote being 56 for and 13 against.

One of these ordinances relates to the Chicago Railways Company, which undertakes to acquire within 120 days from the passage of the ordinances, all the properties and rights of the Union Traction Company; the other relates to the Chicago City Railway Company.

The ordinances are twenty year grants, and it was claimed would provide the best possible street railway service. By the acceptance of these ordinances the companies agree to proceed at once to reconstruct and reequip their entire street railway systems, and to maintain the same in first class condition. A certain portion of this work is designated as "immediate rehabilitation" for which specifications are contained in the ordinances. This work is to include the removal from all the streets of the present cable lines, and the substitution of modern electric track therefor. The Chicago City Railway Company is to rebuild at least sixty miles of its present electric tracks, and the Chicago Railways Company is to rebuild at least ninety miles. The construction and equipment of the necessary system of distribution and sub-stations is required, as is also the rebuilding and equipping of car houses to enable the companies to clean and maintain their cars properly. The companies are required to increase as rapidly as possible the number of double truck cars, until the Chicago City Railway Company shall have in operation at least 800 and the Chicago Railways Company at least 1200. Twenty-one through routes are estab-

lished, together with a complete system of transfers,[2] which will enable the passengers to ride for a single fare in any one general direction over all the connecting lines of the two systems, together with the Chicago Consolidated and the Chicago General Traction system. The work of immediate rehabilitation is to begin with the acceptance of the ordinances and if the work is not completed within three years, the companies are to pay to the city $10,000 per day as liquidated damages for each day that such default shall continue.

The city its authorized to require the installation of the underground trolley system in place of the overhead wires. All new rails are to be grooved. Within one year cars are to be no longer run in trains, but must be operated singly. The companies are required to pave, keep in repair, sprinkle, and keep clean from snow the parts of the streets occupied by their tracks. Numerous extensions of the existing lines are specifically provided for, and the Chicago Railways Company agrees to construct and equip additional extensions, amounting to 6 miles of double track, or 12 miles of single track in each year after the third year, while the Chicago City Railway Company is to construct at least 4 miles of double track or 8 miles of single track, in each year after the third year. The cars used by the companies are to be of the latest improved type, and the companies are required to maintain their systems at all times at the "highest practicable efficiency".

The companies agree to advance to the city, at its option, the sum of $5,000,000 with which to build a down town subway, to be owned by the city, the companies to receive an allowance of 5 per cent. for brokerage and an

[2] This obligation does not apply to any connecting point in the South division of the city, north of Twelfth Street, which includes a considerable portion of the down town district.

annual interest return of 5 per cent., and to be given the right to operate their cars through the subway. Provision is made for the lowering of the present river tunnels as a part of the future subway system. It is distinctly understood that if the city does not exercise this option, that the companies acquire no rights in subways which the city may construct by other means. Upon purchase of the street railway system by the city or its licensee the money advanced by the companies for subways is to be refunded to them.

The city reserves the right to exercise police power and the companies agree to comply fully with all the requirements of these ordinances, and in case they shall make a continued default to do so, the city may declare all the rights of the companies forfeited.

All the construction, reconstruction, re-equipment, extensions, and additions to the properties of the companies are to be performed under the direction and supervision of the Board of Engineers. Within thirty days after the acceptance of these ordinances the two companies are to appoint one engineer to represent them on this Board, the city is to appoint one representative, and Bion J. Arnold is to act as the third member. The city and the companies may remove the third engineer, and may appoint a third engineer at any time such a vacancy may arise. In case any vacancy in the position of third engineer is not filled within thirty days, the judges of the Appellate Court for the First District of Illinois are to name the third engineer. If these judges fail to make the appointment, application is to be made to any judge of the Circuit Court of Cook County for the appointment of such an engineer. Either the companies or the city shall have the right to apply to any Court of competent jurisdiction for the removal of any member of this Board. The third

engineer is to receive a salary of $15,000 per annum. Bion J. Arnold is to act as Chief Engineer during the period of immediate rehabilitation, and as an additional compensation for this service is to receive $15,000 per annum. Each of the other two members of the Board is to be paid for his services at the rate of $100 per day, though the total compensation for their services shall not be less than $3,600 nor more than $10,000 each, per year.

This Board is to make a report in writing on the first day of each month to the City Comptroller, of the amounts actually expended with its approval during the previous month by the companies; this certificate is to be conclusive as to the cost of reconstruction and re-equipment. No contract, sub-contract or payment is to be made for any of this work without the approval of the Board. The Board is to have the power to prescribe the form and manner in which the books and accounts of the companies shall be kept, subject to the approval of the City Comptroller. Additional through lines may be required of the companies at any time the Board may decide that the traffic demands, and the approval by this Board of any regulation in service made by the city council, shall be binding upon the companies as to the reasonableness thereof.

The financial features of the ordinance fix the value of the present tangible and intangible properties of the Union Traction System, to be acquired by the Chicago City Railway Company as $29,000,000, and that of the Chicago City Railway Company as $21,000,000. A fund of 6 per cent. of gross receipts is to be set aside for the payment of maintenance and repairs, and another fund of 8 per cent. of the gross receipts is to be set aside for renewals and depreciation. If these sums are not sufficient to cover these charges, any additional need must be

met by the companies, but any surplus remaining in these funds cannot revert to the companies, but remains the property of the city or its licensee, in case of purchase. The companies are to keep insured at their full insurable value, the premiums for such insurance to be paid as an operating expense. All damage claims arising out of injuries to persons or properties, the salaries of officers of the Board of Engineers, and salaries of officers of the companies, are to be charged to operating expenses.

From the gross receipts for the year there shall be deducted:

(1) All expenses of operation, including maintenance, renewals, and repairs.

(2) A 5 per cent. interest return to the companies upon the whole amount of the already fixed valuation of the properties, plus the amounts expended by the companies in the reconstruction of the roads, with a 5 per cent. brokerage and 10 per cent. construction profit thereon. After the deduction of these items from the gross receipts, 55 per cent. of the net receipts are to accrue to the city and 45 per cent. to the companies. The amounts thus received by the city are to be set aside and used for the purchase of the street railway system. This division of the net receipts is based upon the companies' right to charge a five-cent fare for the whole period, but the city has the right to commute its share, or any part of it, into an equivalent reduction of fare.

The companies are required to file with the City Comptroller annual reports, verified by the auditor of the companies, setting forth according to forms prescribed by the Board of Engineers, the amount of business done during the year, the receipts from and the expenses of conducting the business, and the books of the companies

are at all times to be subject to the examination of accountants representing the city.

The possibility of municipal ownership is provided for. The city is given the right on the first of February or the first of August of each year, having given 6 months previous notice to the companies, to take over the properties of either or both companies, upon the following conditions:

If the purchase is made for municipal operation, the city must pay:

(1) The value of the properties, as now fixed in the ordinances, and

(2) The cost of reconstruction, re-equipment, and extensions actually paid out by the companies, plus 5 per cent. brokerage, and a 10 per cent. construction profit. If the purchase be for any other purpose than for municipal operation, the city is required to pay a 20 per cent. bonus on the above amount.

The city reserves the right to give to any company the right to purchase and operate the street railway system, the price to be paid being the price which the city would have to pay for municipal operation, plus a 20 per cent. bonus. But such a licensee shall not be required to pay the 20 per cent. bonus if its returns shall be limited by the city to 5 per cent. brokerage and 5 per cent. return on its capital investment, the remainder of the earnings to accrue to the city.

On February 11, Mayor Dunne returned the ordinances to the council with his veto, and on the same night the ordinances were passed over his veto by a vote of 57 to 12. Later the legal requirements for a referendum were complied with and the ordinances became the issue of a fiercely contested municipal campaign.

Mr. Dunne was renominated by the Democratic party

for mayor, upon a platform opposed to the adoption of the ordinances, while Mr. Fred A. Busse was nominated by the Republican party for the same office upon a platform favoring the ordinances. The campaign which followed the adoption of these platforms was one of the most intense ever waged in the city of Chicago. Noon and evening mass meetings were held throughout the city, at which various speakers discussed the provisions of the ordinances. Organizations were formed, supporting and opposing the measures. The "Strap Hangers League" was formed, having for its slogan "We want seats, not straps" and "A seat for every strap hanger", and became an influential factor for the adoption of the ordinances. The "Citizens Non Partisan Settlement Association" spread broadcast throughout the city literature descriptive of the improved service which would follow the adoption of the ordinances. The Chicago Federation of Labor denounced the ordinances because they contained no protection whatever for the employees of the street railway companies, and the Municipal Ownership Central Committee waged a bitter attack against the measures upon the grounds that they rendered municipal ownership impossible, inasmuch as the rehabilitation provided for in the ordinances would cost at least $40,000,000, which with the $50,000,000 valuation already attached to the property would make the total amount which the City would have to pay in case of purchase at least $90,000,000, while the authority of the city to issue certificates was limited to $75,000,000 and the city council would probably refuse to pass ordinances providing for the issuance of more certificates.

One of the arguments advanced by Mayor Dunne in his veto message was that the ordinances did not afford assurance of any income from the proposed division to

guarantee that the city's share of net receipts would equal any fixed per cent. of the gross receipts. It was also urged against the ordinances that the securing of lower fares for a period of twenty years would be rendered impossible; that the valuation placed upon the present property of the companies was excessively high; that the city could never afford to pay the 20 per cent. bonus on the valuation of the properties; that the ordinances were so complex as to render them liable to litigation; that they denied transfers in an important part of the down town district; that the 20 per cent. bonus required to be paid by a trustee company would make it impossible for the city to utilize this method in securing possession of the lines; that the city would practically be deprived of the right to acquire the lines by power of condemnation. As opposed to the pending ordinances, Mayor Dunne and his followers proposed to secure the street railway system by exercising the city's power of condemnation, issuing street railway certificates as already authorized.

The supporters of the ordinances maintained that it would be unwise to depend upon the city's power of condemnation, derived from the Mueller law, inasmuch as the validity of that law and the certificates was yet pending in the Supreme Court; that even were this law upheld and the city should obtain possession of the lines, it did not possess the right to operate; that unless a majority of the voters should authorize the issuance of additional certificates, the city would be restricted to $75,000,000 with which to purchase and rehabilitate the lines, which sum was declared by authorities to be entirely insufficient for the purpose; that the companies would be compelled to render an adequate service under these ordinances; and that the city could better purchase the lines immediately

upon the completion of rehabilitation, than to trust to the uncertainties, expenses, and delays necessary to condemnation proceedings.

Beyond doubt the great argument for the ordinances which appealed to the majority of those who voted for their adoption, was that the entire system was to be immediately reconstructed and rehabilitated, and that the service rendered by the companies would be such as Chicago had long been hoping for. However, the argument that the ordinances were merely stepping stones to municipal ownership, and would enable the city to take over the lines upon the completion of reconstruction, no doubt served to influence a very considerable class of voters whose sympathies were heartily with the municipal ownership movement, but who believed the passage of the ordinances would provide a greatly improved service until the city was in a position to acquire and operate the street railways.

On April 2, the ordinances were approved by a majority of 33,086.

CHAPTER XVIII.

DECISIONS UPON THE $75,000,000 STREET RAILWAY CERTIFICATE ORDINANCE.

On April 18, 1907, the Supreme Court of Illinois rendered a decision[1] declaring the $75,000,000 street railway certificate ordinance unconstitutional, upon the grounds that such certificates would increase the indebtedness of the city beyond the constitutional limit. Section 12 of Article 9 of the Constitution of the State of Illinois provides that "no county, city, township, school district, or other municipal corporation shall be allowed to become indebted in any manner, including existing indebtedness, in the aggregate exceeding 5 per centum on the value of the taxable property therein".

The ordinance provided that in case there is a default in the payment of the principal or interest on these street railway certificates, that there shall be a foreclosure sale, and the owners of the properties upon foreclosure shall be guaranteed a twenty year street railway franchise by the city.

The Court held that because of this provision, that the certificates would be a mortgage, not merely upon the street railway properties owned by the city, but also upon the right to use the streets of the city for street railway operation for a period of twenty years; and that inasmuch as under foreclosure the city would lose the right itself, or through its grantee, to use the streets for a period of twenty years, and would also lose any compensation which the city might have received from granting such a franchise, that the issuance of such cer-

[1] Decision rendered by Justice Hand.

tificates would be an increase in the indebtedness of the city; that the city had already so nearly exhausted its debt creating power under the Constitution, that the issue of said certificates would be in violation of the Constitution.

This decision leaves the Mueller law as a whole intact, but holds the certificate plan for putting it into effect in Chicago to be unconstitutional and void.

The decision came as a decided surprise to most Chicagoans, for legal authorities had publicly expressed themselves as believing that the decision of the Circuit Court upholding the validity of the certificates would be confirmed by the Supreme Court, and the municipal ownership features of the new ordinances had been largely built upon this expectation. Special Traction Counsel Walter L. Fisher immediately announced that a petition for a rehearing might be filed with the Supreme Court, and many now express a hope that the Court will reverse its decision, in case a new hearing is granted.

Meanwhile, neither the Chicago Railways Company nor the Chicago City Railway Company has filed its acceptance of the ordinances, although the Chicago Railways Company is making negotiations whereby it hopes to secure physical possession of the Union Traction System in the immediate future. However, inasmuch as the representatives of both companies were active in the campaign for the adoption of the ordinances, there is no doubt that the legal acceptance of the companies will be soon filed with the city.

PART VI.

WHAT OF THE FUTURE?

CHAPTER XIX.

SERVICE.

The question as to how much the service will be improved under the new ordinances is an interesting one, permitting of much speculation, but withal a vital one.

The stipulation in the ordinances as to cars, equipment, etc., are specific, and will, no doubt, in large part be complied with by the companies, which fact alone will greatly improve the present conditions. However, it is a significant fact, aside from the provisions for reconstruction, the number and equipment of cars, etc., that the provisions for an improved service are in general terms, which in law may mean anything or nothing.

The language in which the companies promise an efficient service is: "The company shall as promptly as possible do the necessary work and purchase the necessary materials and equipment to put its entire railway system and equipment in the best practical condition to enable it to furnish the citizens of Chicago the quality and kind of service contemplated and required by this ordinance, and shall at all times maintain the same at the highest practical efficiency,"[1] and if the companies "shall fail to comply with the provisions hereof with regard to the maintenance of first-class railway service . . . the city shall have the right to sue for and recover the sum of not less than $50, and not more than $500, for each and

[1] See Exhibit B in both ordinances.

every such failure, and each day that such failure shall continue shall be taken and held for a separate offense."[2]

In considering the power of the city to enforce these regulations it should be remembered that provisions much more definite than these in the "Service and Comfort Ordinances" had already been held by the courts to be void because of their uncertainty.[3] What is the "best practical condition"? What is "the service contemplated and required in this ordinance"? What is "the highest practical efficiency"? In the courts these terms might be easily construed as void because of their indefiniteness.

The companies "agree to comply with all reasonable regulations of the service of the street railway system which may be prescribed by the city council." Under the city's police power the companies are legally bound to comply with all such regulations without agreeing to do so, but the experience of the city in the past in its endeavors to enforce its regulations does not justify a very great amount of confidence in this clause.

During the campaign it was maintained by the friends of the measures that the city is assured of good service because of the penalty clause. If, however, the courts should hold the provisions of the ordinances as void because of their indefiniteness, there would seem to be no provisions to enforce by the penalty clause, inasmuch as no offense is defined by the ordinances.

But presuming the service features of the ordinances to be valid and impregnable, in every respect, the question as to whether any attempted enforcement of the penalties provided in the ordinances would be effective, opens up a vast field for legal controversy.

Should the city attempt to collect such penalties, the

[2] Section 31, Chicago City Railway Company Ordinance. Section 32, Chicago Railways Company Ordinance.

[3] Cf. p. 82.

ordinances might be regarded by the courts either as contracts between the companies and the city, or as a statutory law and requirement. If the courts held the ordinances to be contract provisions, the companies would undoubtedly deny the right of the city to collect such penalties, upon the ground that under contract law penalties are unenforcable. But if the courts should regard the ordinances as statutory law, and an exercise of the city's right to regulate the street railway companies, this right having been conferred upon the city by the City and Village Act,[4] there would be ample opportunity for the companies to resist the payment of any penalties upon the ground that the exercise of this right to regulate is subject to the qualification that the fines or penalties imposed to enforce ordinances thereunder, shall not exceed $200 for a single offense.[5]

Even the clause providing that if either company shall fail to complete the "immediate rehabilitation" within a period of three years as prescribed in the ordinances "that the company shall be and is obligated to pay to the city for each day that such neglect or default shall continue, the sum of $10,000 as liquidated damages" is not a positive assurance of the city's ability to collect this sum. The language providing that this amount is to be "liquidated damages" would not necessarily be held conclusive by the courts as to the intent of the ordinances, and this sum might be regarded as a penalty stipulation and therefore held to be unenforcable.[6] It is also possible that the courts would award liquidated damages only in proportion as actual damage could be proven by the city.

The ordinances contain a forfeiture clause, providing that if either company shall make default or neglect in

[4] Paragraph 42, Article 5, Appendix A.

[5] Paragraph 96, Appendix A.

[6] Cf. p. 110.

the observance of any of the conditions prescribed, and shall continue such neglect for a period of three months it may be compelled to forfeit its right to the use of the streets. However, whether in case of failure by the companies to comply with the provisions of the ordinances, any court would declare them forfeited of their rights, is doubtful. Forfeiture has been considered in various decisions as merely "the height of penalty", in which case forfeiture would be open to the objections already pointed out concerning penalty provisions. However, if forfeiture should not be regarded, it is doubtful if any court would declare the company's rights to be forfeited, unless in case of the most extreme, gross, and continued violation, inasmuch as there is practically no precedent in law for a city declaring a public service corporation forfeited of its rights, although forfeiture clauses are a usual part of the franchise grants in many states. But in view of the fact that forfeiture clauses are quite generally unfavorably regarded by the courts, and are seldom if ever enforced against a company, unless in case of general and absolute failure to comply with any part of the franchise under which it is operating, the forfeiture clause of the ordinance is without a great deal of significance.

It is thought by many that the Board of Engineers will be a powerful factor in securing good service, inasmuch as the approval by this Board of any regulation passed by the city council is "to be binding upon the companies as to the reasonableness thereof." However, the Board will have no regulations to pass upon until the council shall in the future enact them, in which case they would be binding upon the companies regardless of the approval of the Board. The attempt to place police and judicial power in such a Board is an absolutely new

experiment in the government of American municipalities, and the success or failure of this innovation will be awaited by other cities with interest.

An examination of the ordinances opens up a vast field for legal controversy as to the usefulness and validity of the methods provided therein for enforcing the service regulations, and indicates that any attempted enforcement of such provisions may be resisted by the companies. The experience of the past has practically been that whenever enforcement of any police power ordinance regulative of street railways has been attempted, it has been resisted and contested by the companies to the courts of last resort. Certainly, in this case, when the validity of the provisions opens such a vast opportunity for litigation, there is every reason to believe that the companies will stubbornly resist any attempted enforcement of these provisions. The companies will undoubtedly improve the street railway service in the near future for their own interests by the reconstruction of the lines, through routes, etc., plans for which are already being made. Nevertheless, inasmuch as it is practically inconceivable that the city would employ its right to declare forfeiture, and in view of the open question as to the validity of the other methods provided for enforcing the good service requirements,—one must conclude the apparently formidable provisions of the ordinances are far from being iron clad guarantees of satisfactory service. Therefore, even though the provisions of the ordinances be the best which could possibly have been framed, it appears that constant alertness, continued watchfulness, and eternal vigilance on the part of the public will be necessary if an efficient service is to be obtained.

CHAPTER XX.

COMPENSATION.

City street railways possess two peculiarities which entitle municipalities to demand from them special compensation, the first being that the street railways occupy public streets and highways by permission of the city, the second being the tendency of the street railway business to become monopolistic in character. The history of street railways in American cities indicates that originally little thought was given to the value of the privileges given to the companies, but that there has been a rapidly growing recognition of the value of street privileges is proven by the fact that practically all grants made in recent years have contained provisions requiring special payments in some form, to the municipality. Franchise compensation is the payment made to the city for the privileges given by it to the street railways companies, as distinguished from ordinary property taxes.

The value of street railway franchises in Chicago is difficult to estimate, owing to the diversity of opinion as to the proper method of compensation. The Harlan Committee (1898) in computing the value of franchises existing at that time, adopted the method of deducting the cost of duplication of the physical equipment from the market value of the stocks and bonds, which system, said the report,[1] "is thoroughly recognized in the financial world." Using this method, the Committee found the total stock of the three main systems[2] then operating to

[1] P. 66.

[2] Chicago City Railway Company, North Chicago Street Railroad Company, and West Chicago Street Railroad Company.

be $61,287,945, and the bonds $30,324,500, making a total of $91,612,445. The cost of duplicating the physical property was estimated at $28,858,234.30, and therefore the value of the franchises involved was submitted as being $62,754,210.70. There is ample room for question, however, as to whether or not this system of computing franchise values is "thoroughly recognized" in view of the fact that many public service corporations have denied the justice of the method in the courts.

The Civic Federation Report (1901) adopted the plan of ascertaining the market value of all outstanding liabilities, or the amount which would have to be expended in order to gain complete control of the Companies, which, according to the report, could be done only by purchasing at market value all outstanding stocks, bonds, and other evidences of indebtedness—from this amount was subtracted the market value of all assets or the sum which would be received if all the properties except the franchises were sold, and the remainder was accepted as representing the market value of the franchise. Using this method as a working basis, the report submitted the values of liabilities on July 1, 1901, to be $120,235,539.73, and the present value of assets at that time as $45,841,188.76, and therefore estimated the franchise privileges at $74,394,050.97. This estimate was made at a time when it was believed that many of the franchises would expire in 1903, and the market value of the stocks was undoubtedly influenced by this fact.

Adopting what is sometimes called the Supreme Court[3] method for the valuation of railway franchises,—deducting from the aggregate market value of the stocks and bonds, the par value of the same securities, gives a quite different result. According to the Harlan Committee

[3] State Railroad Taxes, 92 U. S. Rep., 575.

(1898) we find that the total market value of the stocks and bonds of the three main Companies[4] on December 1, 1897, was $91,612,445.00, while the par value of the same securities was $63,258,300.00, which gives us as the value of the franchise $28,354,145.00.

There are objections to the validity of all these methods of franchise valuation, the paramount one being that the market price of street railway stocks and bonds is not always co-incident with the cash value of the properties. The purchase by individuals of a few shares of street railway stock for permanent investment is generally of small significance compared with the large block purchases of syndicates for purposes of consolidation and control. The fact that the intent of a purchaser is a factor in determining what price he is willing to pay, and that a large part of the stocks and bonds of street railway companies are not bought and sold upon the market but change hands in private manipulations, would seem to indicate that the market value for a few shares of stocks and bonds is not always a correct basis upon which to compute the cash value of street railways. In speaking of this method of determining the cash value of railway properties, the Interstate Commerce Commission in 1903[5] said: "While market valuation of such securities as show a wide market may be of great use in checking values arrived at by other methods, or in enabling a correct interpretation of commercial conditions, the Commission does not hesitate to say, as a result of its experience, that the rule fails to justify a very great degree of confidence in the results to which it leads."

However, in most cases it is probably true that when but a small amount of stock is offered for sale at current

[4] Cf. foot note on p. 116.

[5] Seventeenth Annual Report, p. 31.

prices, that the holders thereof consider it worth more than the price offered, and for lack of a better method of determining franchise values, the public will continue to use regular market quotations as a fair indication of the cash value of the properties, and will make its estimates as to the market value of franchises by deducting from the amount thus ascertained the cost of a duplication of the physical property, the market value of all assets, or the par value of stocks and bonds.

The insufficiency of statistics at hand renders it impossible to reach any definite conclusion as to what compensation the companies could afford to pay to the city in return for their privileges. However, an interesting estimate can be made from these reports furnished by the two companies to the Traction Valuation Commission in 1906.

CHICAGO UNION TRACTION COMPANY.[6]
Account for year ending August 31, 1905.

Gross earnings from operation	$9,208,530.24
Total operating expenses	6,075,720.71
Net earnings	$3,132,809.53

CHICAGO CITY RAILWAY COMPANY.[6]
Account for the year ending June 30, 1906.

Gross earnings from operation	$7,583,356.65
Total operating expenses	5,839,254.81
Net earnings	$1,744,101.84

Let us assume the value of the physical property, as determined by the Traction Valuation Commission, to be a just basis upon which returns should be made to capital. It must, however, be remembered that corporations operating under municipal franchise do not generally plan on limiting their capital to the actual value of

[6] These reports as filed by the companies were taken from the books of the Traction Valuation Commission, through the courtesy of the Arnold Engineering Company.

their tangible property, although there is a rapidly growing sentiment that such corporations should be so limited, and it may be that only by so doing can they be compelled to render satisfactory service. However, adopting this basis as the most equitable one obtainable for the purposes of our investigation, we find that the net earnings of the Chicago City Railway Company were $1,744,101.84 upon tangible property worth $16,254,492, while the net earnings of the Union Traction Company were $3,132,809.53 upon property valued at $20,928,341.00. "Operating expenses" in these reports included all expenditures made during the year for construction, repairs, etc. Therefore, we find that if all the water were squeezed out of the Companies, that the Chicago City Railway Company, for the year covered by the report, would have been able to pay 6 per cent. dividends, and to pay to the city $768,832.32, while the Chicago Union Traction Company would have been able to pay 6 per cent. dividends and turn into the coffers of the city $1,877,109.07, both companies providing for renewals and repairs out of their operating expenses. In making this estimate, it must be remembered that it is impossible to ascertain whether the expenditures made during the year were a fair average of the amount necessary annually to maintain the roads at an efficient standard. No accurate estimate as to what percentage of gross receipts might justly be exacted from the companies can be compiled without the annual detailed reports of the companies covering a long period of time, and such reports are unobtainable. This estimate is submitted emrely as showing the amounts which the companies could have afforded to pay to the city during the year covered by the reports, had their capitalization been equal to the value of their physical property.

While it is practically impossible to arrive at any sound conclusion as to the probable net income of the companies, of which the city is to receive 55 per cent., it is impossible to make an estimate as to what the gross earnings will have to be after the completion of the three year rehabilitation period, in order that the city may receive any funds whatever from the proposed division.

The plan is,[7] that after deducting certain items from the earnings, that 55 per cent. of the net receipts shall accrue to the city and 45 per cent. to the companies. A division of the net receipts is something entirely new in street railway history, although many cities have contracts with the companies requiring a division of gross receipts. A strong argument against a division of gross receipts is that under certain circumstances it tends to discourage the development of new territory, for if a company could barely secure a return on a certain line without paying such a tax it would probably wait until the return would be sufficient also to pay this tax before building the line. The greatest argument in favor of a division of gross receipts is that it is simple and easily ascertainable. Bion J. Arnold in the Arnold Report[8] (1902) said: "It is clear to me that if money compensation is to be required by the city for franchise rights, the only equitable and just basis for compensation to the city should be based upon a percentage of gross receipts, whatever they may be, of each of the companies, payable annually." It is hoped that the plan for uniformity and auditing of accounts, as outlined in the ordinances, will render the ascertaining of the accuracy of the accounts a comparatively easy matter. The effort on the part of the city to superintend the accounts of the companies

[7] As outlined on p. 97.

[8] P. 38.

certainly deserves credit, but it remains to be seen whether the utmost care on the part of the city in supervising these accounts can prevent the companies from manipulating the items, in case they care to do so.

In making our estimate, let us add to the present $50,000,000 valuation of the properties, the amount which the companies will be compelled to invest in rehabilitation, which is estimated at $40,000,000.[9] Upon this $90,000,000 5 per cent. interest returns must be paid by the companies. The next item to be deducted from the gross earnings is the operating expenses, which there is no absolutely correct method of ascertaining. However, the Traction Valuation Commission in its report said: "A careful consideration of the conditions existing in Chicago led to the selection of 70 per cent. of the gross earnings as a fair percentage to be allowed for operating expenses."[10] The recommendation of the Traction Valuation Commission, together with the following reports filed by the companies in the *Street Railway Investor's Guide* (1906), would indicate 70 per cent. as a fair estimate of operating expenses.

PERCENTAGE OF OPERATING EXPENSES TO TOTAL RECEIPTS

CHICAGO CITY RAILWAY COMPANY.

1902	67.6	1904	72.01
1903	72.23	1905	77.06

UNION TRACTION COMPANY.

1904	70.01

It is true that many European municipalities, in granting franchises, fix the operating expenses at 50 per cent., but it is to be remembered that European franchises limiting operating expenses also generally regulate the

[9] This is the amount generally agreed upon by the city and the companies as being the amount necessary to rehabilitate the systems according to the requirements of the new ordinances.

[10] See p. 22, Traction Valuation Commission's Report.

hours of workingmen and the wages paid to them, while in America the wages and other operating expenses are a great deal higher than in Europe. Inasmuch as the companies have up to the present charged all repairs to operating expenses, it seems fair to include in the 70 per cent. all allowances for repairs. Therefore, in making this estimate we shall not allow for the 6 per cent. repairs as provided for in the ordinances, but will merely add to the 70 per cent operating expense the 8 per cent. provided for renewals and depreciation. The charges for insurance, taxes, personal damages, etc., are included in operating expenses, while the expense of the Board of Engineers, after the period of immediate rehabilitation, will be so small as to justify the elimination of that item.

Add to the $4,500,000 interest on the $90,000,000 investment the 78 per cent. for operating expenses and renewals, and we have the amount necessary to be derived from the net earnings, before any division is to be made between the companies and the city. That is, the $4,500,000 will represent 22 per cent. of the gross earnings, requiring the gross earnings to reach $20,454,545 in order to pay returns on capital invested, operating expenses and renewals,—any amount over and above this to be divided between the city and the companies in the ratio of 45 per cent. to the companies and 55 per cent. to the city. Inasmuch as the gross income of the two companies is now about $17,000,000 per year, and the average income of both companies for the entire 20 year period is estimated at about $20,000,000, it will readily be seen that if the city is to receive any payment for the privileges it has bestowed upon the companies, the only hope for so doing is in forcing the operating expenses to a point considerably less than they have been in the past, thus lessening the amount to be deducted by

the companies before a division with the city takes place. It is urged by many that this will be done, upon the ground that the system, when reconstructed, will require less expenditures for operation than at present. However, what percentage of gross earnings will be required by the rehabilitated system for operating expenses, only time can tell.

$90,000,000.00	Estimated investment at close of period of "immediate rehabilitation".
5 per cent.	interest.
$4,500,000.00	Interest returns on capital.
70 per cent.	estimated operating expenses.
8 per cent.	renewals.
$4,500,000.00	plus 78 per cent. of earnings equals the amount necessary before any division of net receipts can take place.
1 per cent. =	$204,545.45.
100 per cent. =	$20,454,545.00 equals the gross earnings necessary before any division of net receipts with the city, unless operating expenses and repairs are forced below 70 per cent.

CHAPTER XXI.

CONSOLIDATION.

Two decades ago most of our large cities were served by several separate horse railway companies. But with the introduction of mechanical traction came the tendency towards consolidation. To-day in many important cities all the independent companies have been brought together in one system. This is true of Brooklyn, Baltimore, Philadelphia, New Orleans, Milwaukee, Denver, and many other cities.

However, in Chicago the division of the city into three parts by the river, permitted the companies to maintain a system of separate territorial operation, until the consolidation of the North and West Sides into the Union Traction Company in 1899. Since that time this Company has divided territory with the Chicago City Railway Company, operating in the South Side. But with the passage of the new ordinances looms up the possibility of the consolidation of these two companies.

It was admitted during the negotiations for new ordinances that a consolidation of both companies was highly probable in the near future, and Mr. Wilson, representing the Chicago City Railway Company, in an address before the Committee on Local Transportation stated that he expected that that company would be called upon to expend $75,000,000 for the acquisition and rehabilitation of the North and West Side lines.[1] Neither of the companies has as yet filed its acceptance of the ordinances. The Chicago Railways Company must accept within 120 days and the Chicago City Railway

[1] Proceedings of City Council, February 11, 1907, pp. 30-58.

Company is given 90 days. The Chicago Railways Company is now negotiating for the properties of the Union Traction Company, but the ordinances provide that in case the Chicago Railways Company shall fail to accept the ordinances within the time prescribed, that the Chicago City Railway Company is obliged to take over the North and West Side lines, and is given the street privileges in those divisions of the city.

However, the acceptance of these ordinances by both companies will be no barrier to consolidation which may take place at any time, either before or after the acceptance of the ordinances. Now that both companies are dominated by the same financial interests, and transfers are to be required throughout the city, with the exception of a part of the business district, we may reasonably expect that the desire for economy in management and cheaper operation will at no distant day cause a consolidation of the two companies. Such a move is to be greatly desired by the public, for it would place the city in a much more advantageous position in its efforts to regulate and control.

CHAPTER XXII.

MUNICIPAL OWNERSHIP.

To decide whether the street railway problem in Chicago has been closed for twenty years by the adoption of the new ordinances, it would be necessary not only to understand the demands which have been responsible for the municipal ownership sentiment so strongly manifested within the past few years, but also to know whether these demands will be satisfied by the companies in such a way that the public will accept as final the present plan of settlement in place of any system of municipal ownership which may be suggested.

It can hardly be denied by those most bitterly opposed to the principle of municipal ownership, that the greatest factor in producing the widespread municipal ownership sentiment in Chicago has been the continual abuse and neglect of the public by the street railway companies. Regardless of financial evils in the management of the companies, the public has from the beginning been most interested in securing an efficient service,—a consideration concerning which the companies appear to have been least mindful. Therefore, it was unavoidable that the interests of the two parties should clash. While a few may have favored municipal ownership as an abstract governmental principle, the masses of Chicago would never have taken up the cry had they not despaired of securing an adequate service by any other method. The rendering of the best possible service, consistent with fair returns upon capital invested, is the only purpose for which a public utility corporation, operating under municipal franchise, should be allowed to exist. The realiza-

tion of the fact that this end had been entirely lost sight of by the companies, in their desire for dividends, gave birth to the strong municipal ownership sentiment in Chicago.

Another factor which has at least served to give an impetus to the municipal ownership spirit already generated, has been the widespread publication of the experience of other cities in the field of municipal ownership. Especially is this true concerning the municipal ownership experiments of various cities in England and Germany, the results of which have been constantly proclaimed as being decidedly successful. The belief that this plan was being operated in other places undoubtedly led many to the conclusion that it would not be less successful if attempted in Chicago, this conclusion having been reached entirely regardless of the fact that the success of such a plan in foreign nations should not be considered decisive as to its probable results in Chicago, where governmental affairs and municipal conditions are so absolutely dissimilar.

It seems probable that the elections of the past do not accurately gauge the state of the public mind upon the proposition of municipal ownership. The majorities in favor of municipal ownership have doubtless included many votes cast in a spirit of anger and exasperation. On the other hand, that the majority of Chicago citizens are no longer desirous of securing municipal ownership is by no means indicated by the acceptance of the new ordinances, inasmuch as the alternative of immediate municipal ownership secured through agreeable methods or the adoption of the ordinances was not presented at the last election. The issues were either the adoption of the ordinances, or municipal ownership through the plan of condemnation, which plan was strenuously opposed on

the grounds that expensive litigation involving several years' time, during which no improvements would be made in the system, would follow its adoption.

It is also true that the argument that these ordinances were but stepping stones to municipal ownership undoubtedly influenced many voters, who really wished municipal ownership, but who were unfamiliar with all the provisions of the ordinances.

The slogan of those promoting the ordinances in the last campaign was "Good service guaranteed at once" and it was only by the widespread use of the promise of an immediate rehabilitation and the most improved street railway service in America, that the ordinances were passed. A greatly improved service is the thing most desired, and the ordinary citizen probably cares but little whether the street railways be operated under public or private ownership, if the transportation facilities provided him are satisfactory. Therefore, it seems safe to assert that the status of the municipal ownership in Chicago will depend largely upon the service rendered by the companies, under these ordinances.

If a rehearing on the validity of the $75,000,000.00 ordinance is granted by the Supreme Court, and the Court reverses its decision, the possible methods which will be open to the city for acquiring the street railways will be:

(1) Purchase through a trustee company, the provision being made in the ordinances that a trustee company limited to 5 per cent. interest returns on the investment may take over the lines, all returns above these amounts to go to the city until it is able to purchase, the price to be paid by such a company to be the present valuation plus the cost of rehabilitation.

(2) The city may purchase the lines at any time, for

leasing to a private company or for any other purpose than municipal operation, the purchase price to be present valuation, plus the cost of rehabilitation, with a 20 per cent. bonus on the whole.

(3) The city may purchase at any time for municipal operation, the purchase price to be the present valuation plus the cost of rehabilitation.

While the passage of the ordinances does not legally deprive the city of the right of condemnation, which right was conferred upon the city by the Mueller law, there is a belief that not only the properties of the companies, but also these ordinances, as franchise rights, would have to be condemned and paid for by the city. The unlikelihood of securing the organization of a trustee company, with returns to capital limited to 5 per cent., and the great public protest which would inevitably be raised against the city paying a 20 per cent. bonus upon the present valuation of the property, would indicate the most probable plan of the city acquiring the lines as being a purchase for municipal operation. The Mueller law requires a three-fifths' majority for municipal operation, and the proposition has as yet failed to receive the required majority. Therefore, if the $75,000,000.00 ordinance is held to be valid, any municipal ownership agitation in the future will no doubt assume the nature, either of obtaining the necessary three-fifths' majority for operation, or of securing enabling legislation from the legislature which will permit municipal operation upon a majority vote.

On the other hand, if a rehearing is not given, and the present verdict of the Court is accepted as final, there appears at present to be no way open by which the city could acquire the lines, without further legislation. The city could never expect to purchase the system from its

share of net receipts for many years, and the possibility of securing a *pro bono publico* corporation to take over the lines with a 5 per cent. limitation on capital is remote. Therefore, if the decision upon the $75,000,000.00 ordinance is not reversed, it seems probable that any municipal ownership agitation in the future will direct itself towards securing a constitutional amendment, giving the power to cities to increase their indebtedness, for the acquisition of various utilities.

The public demands an immediate betterment of the service. That improved conditions would accompany municipal ownership is by no means certain, but that such a system could produce conditions any worse than those which have prevailed in Chicago for the last few years seems impossible. The agitations of late years have made the public conscious of its own powers in these matters as never before, and already the companies have awakened to a realization of the fact that the largest possible profits and the cheapest possible service will fail to promote their own interests. Therefore, while the city may be unable by law to enforce many of the good service features of the ordinances, the desire on the part of the companies to refrain from arousing the municipal ownership propaganda may prove an effective means in securing an efficient service.

APPENDIX A.

PROVISIONS OF GENERAL CITY AND VILLAGE LAW OF 1872.
Approved July 10, 1872.
In force July 1, 1872.

"Section 1. The city council in cities . . . shall have the following powers:

"Twenty-fourth. To permit, regulate or prohibit the locating, constructing or laying a track of any horse railroad in any street, alley or public place; but such permission shall not be for a longer time than twenty years."

. . . . . .

"Forty-second. To license, tax and regulate hackmen, draymen, omnibus drivers, carters, cabmen, porters, expressmen, and all others pursuing like occupations, and to prescribe their compensation."

. . . . . .

"Ninety-sixth. To pass all ordinances, rules, and make all regulations, proper or necessary, to carry into effect the powers granted to cities or villages, with such fines or penalties as the city council or board of trustees shall deem proper: Provided, no fine or penalty shall exceed $200.00, and no imprisonment shall exceed six months for one offense.

APPENDIX B.

PART I.

STATUS OF CHICAGO CITY RAILWAY COMPANY'S FRANCHISES AS CLAIMED BY THE CITY OF CHICAGO.

Franchises Expired.

On Archer Avenue,	
Halstead	to Western Ave.
Western Ave.	to 39th St.
On Ashland Avenue,	
Archer Ave.	to 39th St.
39th St.	to 55th St.
55th St.	to 63rd St.
63rd St.	to 69th St.

On Canal Street,	
Archer Ave.	to 29th St.
On Cottage Grove Avenue,	
City Limits (39th St.)	to S. end of Avenue.
On Dearborn Street,	
20th St.	to 21st St.
On Eighteenth Street,	
State St.	to Wabash Ave.
On 41st Street,	
W. line of State St.	to E. line of Cottage Grove Ave.
On 47th Street,	
Halstead St.	to State St.
Halstead St.	to Ashland Ave.
W. from Ashland Ave.	
On 51st Street,	
State St.	to Indiana Ave.
Indiana Ave.	to Grand Blvd.
On 55th Street,	
W. line of State St.	to E. end of street.
On Halstead Street,	
29th St.	to River.
63rd St.	to 69th St.
On Indiana Avenue,	
City Limits	to 41st St.
39th St.	to 51st. St.
On Jefferson Street,	
55th St.	to S. line of Willow St.
On Madison Street,	
Wabash Ave.	to Michigan Ave.
On Michigan Avenue,	
Madison St.	to Randolph St.
On Randolph Street,	
Michigan Ave.	to Wabash Ave.
On Root Street,	
State St.	to Stock Yards.
On 61st Street,	
State St.	to Wentworth Ave.
State St.	to 1000 Ft. E. of S. Park Ave.
Viaduct between State and Wentworth.	
Madison Ave.	to 60th.

On 63rd Street,
W. line of State St. to E. end of River.
Halstead St. to Wentworth Ave.
Ashland Ave. to Halstead St.

On 69th Street,
Vincennes to Halstead St.

On State Street,
22nd St. to City Limits.
City Limits to S. end of street.
31st St. W. to 39th St.
39th St. to 55th St.
41st St. to 61st St.
55th St. to 63rd St.
63rd St. to Vincennes Rd. (West single track.

Stock Yards Dummy.
Streets on any common highway except Hyde Park and Lake Avenues.
Applies only to actual extension from Willow Street to State Line.

On 21st Street,
State St. to Dearborn St.

On 29th Street,
Canal St. to Butler St.

On 31st Street,
Pitney Ave. to Lake Park Ave.
31st St. to Throop St.

On 35th Street,
Cottage Grove Ave. to Stanton Ave.

On 38th Street,
Archer Ave. to Kedzie Ave.

On 39th Street,
State St. to Wentworth Ave.
Wentworth Ave. to Halstead (S. Single Track).
Cottage Grove Ave. to State St.

On Throop Street,
31st St. to 39th St. (No such franchise.)

On VanBuren Street,
State St. to 50 ft. E. of E. line of Wabash Ave.

On Vincennes Avenue, to 69th St.
State St.
69th St. to 79th St.

On Wabash Avenue,	
Randolph St.	to Madison St.
Wabash Ave. Loop.	
Madison St.	to Lake St.
On Wallace Street,	
26th St.	to 31st St.
Butler St. from 29th	to 39th St.
On Westworth Avenue,	
61st St.	to 63rd St.
39th St.	to 63rd St.
63rd St.	to Vincennes.
On Willow Street,	
W. line of Jefferson St.	to E. line of street.

Franchises Operative until Purchase.

On Archer Avenue,	
State St.	to City Limits (Halstead St.).
On Clark Street,	
Randolph St.	to Polk St.
Polk St.	to 22nd St.
On Cottage Grove Avenue,	
22nd St.	to 31st St.
On 18th Street,	
Wabash Ave.	to Indiana Ave.
On Indiana Avenue,	
18th St.	to 22nd St.
22nd St.	to 39th St.
On State Street,	
Lake St.	to City Limits (31st St.).
Lake St.	to Chicago River.
Lake St.	to the River.
On 22nd Street.	
State St.	to Cottage Grove Ave.
On Van Buren Street,	
State St.	to SW. plank road (Ogden Ave.).

Franchises Expiring Latter Part of 1906.

On Cottage Grove Avenue,	
39th St.	to 67th St. (Nov. 8).
On 55th Street,	
Cottage Grove Ave.	to Lake Ave. (Nov. 8).

Franchises Expiring in 1907.

On Centre Avenue,	
35th St.	to 31st St.
55th Street Loop.	
Expires with the street forming it.	
On 43rd Street,	
I. C. R. R.	to State St.
On Jefferson Avenue,	
55th St.	to Private right of way between 56th and 57th Sts.
On Lake Avenue,	
From above right of way	to 55th St.
On Pitney Court,	
Archer Ave.	to Chicago & Alton Tracks.
On 61st St.	
Cottage Grove Ave.	to 100 ft. E. of E. line of South Park Ave.
On 63rd Street,	
I. C. R. R.	to Cottage Grove Ave.
On State Street,	
63rd St.	to Vincennes Road (East Single track).
On 22nd Street,	
State St.	to River.
On 26th Street,	
Halstead St.	to Cottage Grove Ave.
On 35th Street,	
State St.	to Centre Ave.
On 39th Street,	
Wentworth Ave.	to Halstead St.

Franchise Expiring in 1909.

On Cottage Grove Avenue,	
67th St.	to L. S. & M. S. R. R.
68th St.	to 71st St.
On Keefe Avenue,	
Anthony Ave.	to So. Chicago Ave.
On Rhodes Avenue,	
So. Chicago Ave.	to 68th St.
On 68th Street,	
Rhodes Ave.	to Cottage Grove Ave.

On 69th Street,
Vincennes Ave. to Anthony Ave.
On South Chicago Avenue,
Cottage Grove Ave. to I. C. R. R.

Franchise Expiring in 1912.

On 47th Street,
State St. to Cottage Grove Ave.
Ashland Ave. to S. W. Boul.
On Grace Avenue,
62nd St. to 63rd St.
On Madison Avenue,
64th St. to 63rd St.
On 61st Street,
Cottage Grove Ave. to Madison Ave.
On 62nd Street,
Stony Island Ave. to Grace Ave.
On 63rd Street,
I. C. R. R. to Stony Island Ave.
63rd St. Loop.
On 64th Street,
Stony Island Ave. to Madison Ave.
On Stony Island Avenue,
63rd St. to 62nd St.
63rd St. to 64th St.
On 35th Street,
State St. to Rhodes Ave.
California Ave. to Centre Ave.

Franchise Expiring in 1913.

On 63rd Street,
Ashland Ave. to Central Park Ave.
Central Park Ave. to Hyman Ave.

Franchise Expiring in 1914.

On Centre Avenue,
47th St. to 63rd St.
63rd St. to 75th St.
On Halstead Street,
69th St. to 79th St.
On 63rd Street,
Cottage Grove Ave. to State St.
Cottage Grove Ave. to C. R. I. & P. R. R.
On Wallace Street,
39th St. to Root St.

Franchises Expiring in 1915.

On Archer Avenue,	
39th St.	to 51st St.
51st St.	to S. 48th Ave.
On 47th Street,	
I. C. R. R.	to Cottage Grove Ave.
From tracks of Co. (Presumably S. W. Blvd.)	to Archer Ave.
On 59th Street,	
State St.	to Western Ave.
On Kedzie Avenue,	
38th St.	to 63rd St.
On Morgan (formerly Laurel) Street,	
31st St.	to 39th St.
On 69th Street,	
Leavitt St.	to Western Ave.
On 29th Street,	
Butler St.	to Wallace St.
On 38th Street,	
From present terminals (supposedly just west of Archer Avenue)	to Central Park Ave.
On Throop Street,	
31st Street,	to Archer Ave.
On Western Avenue,	
Archer Ave.	to 71st St.

Franchises Expiring in 1916.

On 51st Street,	
State St.	to 'Western Ave.
On Wentworth Avenue,	
22nd St.	to Archer Ave.
39th St.	to 22nd St.

Part II.

STATUS OF CHICAGO UNION TRACTION COMPANY'S FRANCHISES ACCORDING TO CLAIMS OF THE CITY.

Franchises Expired.

On Adams Street,	
Michigan	to Clark St.
Clark St.	to 500rds. W. of Desplaines.
500 rds. W. Desplaines	to Centre.

On Alley	
Loop	to Limits barns.
Lincoln	to Wrightwood barns.
On Armitage	
Milwaukee	to Washtenaw.
Washtenaw	to California.
On Ashland	
Erie	to North Avenue.
North Ave.	to Clyborne.
Belmont	to Graceland.
Graceland	to Sulzer.
On Augusta,	
Elston	to N. 40th.
On Austin,	
Desplaines	to Centre.
On Belmont,	
Robey	to Western.
On Blackhawk,	
Holt	to Noble.
On Blue Island,	
C. B. & Q. R. R.	to 22nd St.
22nd St.	to Western.
On California,	
Chicago	to Division.
North	to Armitage.
On Canalport,	
Canal	to Halstead.
On Canal	
Lake	to Harrison.
Harrison	to C. B. & Q.
C. B. & Q.	to Canalport.
On Catharine (15th St.),	
Blue Island	to Robey.
On Centre Street,	
Clark	to Lincoln.
On Centre Street,	
Lincoln	to Racine.
On Centre Avenue,	
Adams	to 21st.
Austin	to Erie.

On Chicago,	
Rush	to Clark.
Clark	to Larabee.
Larabee	to River.
River	to Milwaukee.
Milwaukee	to Leavitt
Leavitt	to Western.
Western	to California.
On Clark	
Washington	to Randolph.
Randolph	to River.
River	to N. Water.
N. Water	to Illinois.
Illinois	to Fullerton.
Fullerton	to Limits Station.
Limits	to Diversey plus 40 rds.
Diversey plus 40 rds.	to Devon.
On Clinton,	
Harrison	to 12th (Forfeited for non-use).
Randolph	to Milwaukee.
On Clyborne,	
Division	to Fullerton.
On Clyborne Pl.	
Ashland	to Wood.
On Custom House Place,	
From 100 rds.	to 350 rds. N. of Clark.
On Dearborn,	
Michigan	to Kinzie.
On Desplaines,	
Sebor	to Harrison.
Harrison	to Van Buren.
Van Buren	to Adams.
Adams	to Randolph.
Randolph	to Lake.
Lake	to Milwaukee.
Milwaukee	to Austin.
On Division.	
State	to Clark.
Clark	to Clyborne.
Milwaukee	to 200 ft. W. of California.
On 18th St.,	
Halstead	to Leavitt.
Leavitt	to Oakley.

On Elm,
State to Clark.

On Erie,
Centre to Ashland.

On Evanston,
Diversey to Irving.
Graceland to 40 ft. N. of Solzer.

On Eugenie,
Larabee to Wells.

On 5th Avenue,
Randolph to Middle of River.

On 4th Avenue,
250 ft. near Polk.

On Franklin,
Chicago to Division.
Harrison to Washington.

On Fullerton,
Connection with shops. (No grant.)

On Garfield,
Lincoln to Racine.

On Graceland,
Evanston to Clark.
Clark to Ashland.

On Green Bay Road,
Chicago to Wolcott (State St.).

On Halstead,
River to Harrison.
Lake to Milwaukee.
Milwaukee to Middle of N. Branch.
Middle N. Branch to Clyborne.
Clyborne to Fullerton.
Fullerton to 200 rds. N. E. line of Clark.

On Harrison,
State to Canal.
Canal to Clinton.
Clinton to Desplaines.
Desplaines to Ogden.
Ogden to Western.

On Holt,
Blackhawk to North.

On Illinois,
Wells to Market.

On Indiana,	
Halstead	to Western.
Armitage	to Central.
On Jefferson,	
15th Place	to Van Buren. (Forfeited for non-use.)
On Lake,	
Wabash	to State.
State	to Market.
Market	to Desplaines.
Desplaines	to Union Park.
Western	to Rockwell.
Rockwell	to Homan.
Homan	to Crawford.
On Larabee,	
Chicago	to Lincoln.
On LaSalle St.	
Illinois	to Monroe.
On LaSalle Ave.,	
Monroe	to Jackson.
On Leavitt,	
Blue Island	to 18th St.
Indiana	to Chicago.
On Lincoln,	
Centre	to Larabee.
Larabee	to Fullerton.
Fullerton	to Wrightwood.
Wrightwood	to Belmont.
On Lincoln Street,	
Milwaukee	to Webster.
On Linden,	
Larabee	to Clark.
On Madison,	
Western	to Rockwell.
Homan	to Hamlin.
Hamlin	to 40th St.
On Market,	
Madison	to Lake (lapsed for non-constr.).
Michigan	to Illinois.
Illinois	to Chicago.
Chicago	to Division.

On Meagher,	
Canal	to Jefferson. (Forfeit for non-use.)
On Michigan Avenue,	
Washington	to Adams.
On Michigan Street,	
Rush	to Clark.
Wells	to Market.
On Milwaukee,	
Lake	to Clinton.
Clinton	to Desplaines.
Desplaines	to Indiana. (No grant.)
Indiana	to North
North	to Western.
Western	to Armitage.
On Noble,	
Milwaukee	to Blackhawk.
On North,	
Western	to California.
On Ogden,	
Randolph	to Madison.
Madison	to Western.
Western	to 40th St.
On O'Neil,	
Halstead	to Car Barns.
On Polk,	
5th St.	to Canal.
On Racine,	
Clybourne	to Webster.
Webster	to Fullerton.
On Randolph,	
Michigan	to Wabash.
Wabash	to State.
On Rush,	
Michigan	to Chicago.
On Sangamon,	
Adams	to Austin.
On Seber,	
Desplaines	to Halstead.
On Sedgwick,	
Chicago	to Division.
Division	to Centre.
Centre	to Clark.

On State,	
Washington	to Randolph. (Only right to operate; no franchise.)
Randolph	to Lake.
Lake	to Middle of River.
Middle of River	to Michigan.
Michigan	to Rush.
Rush	to Elm.
Elm	to Division.
On 12th Street,	
Wabash	to State.
Canal	to Blue Island.
Blue Island	to Ashland.
Ashland	to Ogden.
Ogden	to Western.
Western	to 40th.

Van Buren Street Tunnel—covered by Tunnel Lowering Ordinances.

On 21st Street,	
Centre	to Western.
On Van Buren,	
Western	to Kedzie.
On Washington,	
Michigan	to Wabash.
Wabash	to Desplaines.
On Webster,	
Lincoln	to Racine.
On Wells,	
Middle of River.	to N. Water St.
N. Water	to Illinois.
Illinois	to Division.
Division	to Clark.
On Western,	
12th	to Harrison.
Van Buren	to Madison.
Madison	to Lake. (No grant.)
On Wrightwood,	
Lincoln	to Barns.

Franchises Expiring in 1907.

On Belmont,	
Lincoln	to Robey.

On Dearborn,	
Kinzie	to Adams.
Van Buren	to Polk.
On Division,	
Clyborne	to Milwaukee.
On Kinzie,	
State	to Market.
On Market,	
Kinzie	to Michigan.
On Monroe,	
LaSalle	to Dearborn.
On North,	
Clark	to Holt.
Holt	to Ashland.
Ashland	to Milwaukee.
On Robey,	
Belmont	to Roscoe.
On Roscoe,	
Robey	to Western.

Franchises Expiring in 1908.

On Clybourn,	
Fullerton	to Belmont.
On 5th St.,	
12th	to Polk.
On Jefferson,	
Madison	to Washington.

Franchises Expiring in 1909.

On Halstead,	
200 ft. N. of E. line of Clark	to Grace.
On Sheffield,	
Fullerton	to Lincoln.
Lincoln	to Clark.
On Taylor	
5th	to Western.

Franchise Expiring in 1910.

On Lawndale	
33rd	to Ogden.

Franchises Expiring in 1911.

On Lake,	
40th	to 48th St.

On North,	
California	to C. M. & St. P. R. R.
C. M. & St. P. R. R.	to W. 40th Ave.
W. 40th Ave.	to 46th.

Franchises Expiring in 1912.

On Ashland,	
Blue Island	to 12th St.
Lake	to Erie.
On Chicago,	
California	to Grand.
On Colorado,	
Madison	to W. 40th.
On Crawford,	
Grand	to North.
On Dearborn,	
Adams	to Van Buren
On 18th St.,	
State	to Halstead.
On 14th St.,	
Canal	to Robey.
On Indiana,	
Western	to W. North.
On Kedzie,	
12th St.	to Madison.
On Milwaukee,	
Armitage	to Fullerton.
On Paulina,	
12th St.	to Lake.
On Robey,	
Blue Island	to Milwaukee.
On State,	
Madison	to Washington (Single track).
On Western,	
Blue Island	to 12th St.
Harrison	to Van Buren
Lake	to Milwaukee.

Franchises Expiring in 1914.

On Armitage,	
California	to Kedzie.
Kedzie	to Keeney.
Kenney	to 44th St. (N.).
N. 44th St.	to Grand.

On Fullerton,	
Lincoln	to Racine.
Racine	to Milwaukee.
On Milwaukee,	
Fullerton	to Logan Square.
Pipe Line	Larabee Gas House.
On Southport,	
Clybourne Place	to Clyborne Ave
Clyborne Ave.	to Lincoln
Lincoln	to Clark.

Franchises Expiring in 1915.

On Chicago,	
Grand	to Kedzie
On Erie,	
E. bank of River	to Sangoman.
On Harrison,	
Western	to Kedzie.
On Indiana,	
State	to Halstead.
On S. Morgan,	
31st St.	to 39th St.
On Sangoman,	
Austin	to Erie.
On 31st St.	
Laurel	to Main.
On Throop,	
Taylor	to 21st St.
21st St.	to Main
On 12th,	
40th St.	to 46th St.
On 21st,	
Halstead	to Centre.
Western	to Douglass Pk. Boul.
On 26th St.,	
Western	to 40th St.
On Western,	
Milwaukee	to Elston

Franchises Expiring in 1916.

On Armitage,	
Ellston	to Milwaukee.

On Ashland	
31st St.	to Blue Island (Not built).
On California,	
Ogden	to Kinzie.
Division	to North.
Armitage	to Elston.
On Illinois,	
Clark	to Wells.
On Kedzie,	
Ogden	to 12th St.
Madison	to Chicago.
On Robey,	
Milwaukee	to Elston.

Franchises Expiring in 1921.

On Alley,	
Western	to Power House.

List of Franchises when Expiration is Doubtful.

None.

Franchises Operative until Purchase.

On Blue Island,	
Harrison	to C. B. & Q.
On Bryan,	
Randolph	to Lake.
On Clinton,	
Madison	to Harrison.
Madison	to Randolph.
On 5th St.,	
Polk	to Van Buren.
Van Buren	to Randolph.
On Halstead,	
Harrison	to Lake.
On Lake,	
Union Park	to Robey.
Robey	to Western.
On Madison,	
State	to Western.
Rockwell	to Homan.
On North,	
Robey	to Western.

On Randolph,	
State	to Dearborn.
Dearborn	to LaSalle.
LaSalle	to Union Park.
On 12th Street,	
State	to Canal.
On Van Buren,	
State	to Clark.
Clark	to Ogden.
Ogden	to Western.

Part III.

STATUS OF CHICAGO UNION TRACTION COMPAN'S FRANCHISES AS CLAIMED BY THE COMPANY.

Franchises Expired.

On Adams Street,	
Michigan Ave.	to Clark St.
Clark	to 500 ft. W. of Desplaines.
500 ft. W. of Desplaines	to Centre Ave
On Alley,	
Loop at Limits Barn	
Lincoln	to Wrightwood Barns.
On Armitage Avenue,	
Milwaukee Ave.	to Washtenaw.
Washtenaw St.	to California Ave.
On Ashland Avenue,	
Erie	to North Ave.
N. Ave.	to Clyborne Ave.
Belmont Ave.	to Graceland.
Graceland	to Sulzer.
On Augusta Street,	
Ellston Ave.	to N. 40th Ave.
On Austin,	
Desplaines	to Centre Ave.
On Belmont,	
Robey	to Western.
On Blackhawk,	
Holt	to Noble.
On California,	
Chicago	to Division.
North Ave.	to Armitage Ave.

On Canal Street,
Lake to Harrison

On Catharine Street,
Blue Island Ave. to Robey St.

On Centre Street,
Clark to Lincoln Ave.
Lincoln St. to Racine Ave.

On Centre Avenue,
Adams to 21st.
Austin to Erie.

On Chicago Avenue,
Rush to Clark.
Clark to Larabee.
Larabee to River.
River to Milwaukee.
Leavitt to Western
Western to Clybourne Ave.

On Clark Street,
River to N. Water.
N. Water to Illinois.
Illinois to Fullerton.
Fullerton to Limits Station.
Limits Station to Diversey.
Diversey to Devon.

On Clybourne Avenue,
Division to Fullerton.
Ashland to Wood St.

On Custom House Place,
From 100 ft. to 350 ft. N. of Clark.

On Dearborn Street,
Michigan St. to Kinzie.

On Desplaines Street,
Sebor to Harrison.
Harrison to Van Buren.
Van Buren to Adams.
Adams to Randolph.
Randolph to Lake.
Lake to Milwaukee
Milwaukee to Austin.

On Division Street,
State to Clark.
Clark to Clybourne Ave.

On Elm,
State to Clark.

On Erie,
Centre to Ashland.

On Evanston Avenue,
Diversey to Irving Pk. Boul.
Graceland to 40 ft. N. of Sulzer.

On Eugenie Street,
Larabee to Wells.

On 4th Avenue,
From 100 ft. to 300 ft. N. of Polk St.

On Franklin Street,
Chicago to Division.

On Franklin Street,
Harrison St. to Washtenaw.

On Fullerton Avenue,
Connection with shops. (No grant.)

On Garfield Avenue,
Lincoln to Racine.

On Graceland Avenue,
Evanston Ave. to Clark.
Clark to Ashland.

On Green Bay Road,
(Adjoining Rush St.)
Chicago Ave. to Wolcott (State St.).

On Halstead Street,
Milwaukee Ave. to Middle of N. Branch.
Middle N. Branch to Clybourne Ave.
Clybourne Ave. to Fullerton.
Fullerton to 200 ft. W. of E. line of Clark.

On Harrison Street,
State to Canal.
Ogden to Western.

On Holt Street,
Blackhawk to North Avenue.

On Illinois Street,
Wells to Market.

On Indiana Street (Grand),
Armitage Ave. to Central Ave.

On Jefferson Avenue,
Meagher St. to Van Buren. (Forfeited for non-use.)

On Larabee,	
Chicago	to Lincoln.
On LaSalle Street ,and Avenue,	
Illinois	to Monroe.
Monroe	to Jackson Blvd.
On Lincoln Avenue,	
Centre St.	to Larabee.
Larabee	to Fullerton.
Fullerton	to Wrightwood.
Wrightwood	to Belmont.
On Lincoln Street,	
Milwaukee	to Webster. (Lapsed for non-construction.)
On Linden Street,	
Larabee	to Clark.
On Madison Street,	
Hamlin	to 40th Ave.
On Market Street,	
Madison	to Lake.
Michigan	to Illinois.
Illinois	to Chicago Ave.
Chicago Ave.	to Division St.
On Meagher,	
Canal St.	to Jefferson. (Forfeited for non-use.)
On Michigan Avenue,	
Washington	to Adams St.
On Michigan Street,	
Rush	to Clark.
Wells	to Market.
On Milwaukee Avenue,	
Western Ave.	to Armitage Ave.
On Noble Street,	
Milwaukee Ave.	to Blackhawk.
On North Ave.	
Milwaukee Ave.	to Western.
On Polk Street,	
5th Ave.	to Canal St.
On Racine Avenue,	
Clybourne Ave.	to Webster.
Webster	to Fullerton.

On Rush Street,
Michigan Ave. to Chicago Ave.
On Sangamon Street,
Adams to Austin.
On Sebor Street,
Desplaines to Halstead.
On Sedgwick Street,
Chicago Ave. to Division St.
Division to Centre.
Centre to Clark.
On State,
Middle of River to Michigan St.
Michigan St. to Rush.
Rush to Elm.
Elm to Division.
On 12th Street,
Western Ave. to 40th Ave.
Van Buren St. Tunnel,
Covered by Tunnel Lowering Ordinance.
On 21st Street,
Centre St. to Western Ave.
On Washington Street,
Michigan Ave. to Wabash Ave.
Wabash to Desplaines St.
On Webster Avenue,
Lincoln Ave. to Racine Ave.
On Western Avenue,
12th St. to Harrison St.
Madison St. to Lake St. (No grant.)
On Wrightwood Avenue,
Lincoln Ave. to Barns.

Status of Franchises Operative until Purchase.
(Upon 6 months' notice.)

On Blue Island Avenue,
Harrison St. to C. B. & Q.
Rebecca St. to C. B. & Q.—22nd St.
22nd St. to Western Ave.
On Bryan,
Randolph to Lake.
On Canal Street,
Harrison to C. B. & Q. tracks.
C. B. & Q. tracks to Canalport Ave.

On Canalport Avenue,	
Canal St.	to Halstead St.
On Chicago Avenue,	
Milwaukee Ave.	to Leavitt.
On Clark Street,	
Washington St.	to Randolph.
Randolph	to Middle of River.
On Clinton Street,	
12th St.	to Madison.
Madison	to Randolph.
Randolph	to Milwaukee Ave.
On Division Street,	
Milwaukee Ave.	to 200 ft. W. of California Ave.
On Eighteenth Street,	
Halstead St.	to Leavitt.
Leavitt	to Oakley.
On 5th Avenue,	
Polk	to Van Buren.
Van Buren	to Randolph.
Randolph	to Middle of River.
On Halstead,	
S. Branch of River	to Harrison St.
Harrison	to Lake.
Lake	to Milwaukee Ave.
On Harrison Street,	
Canal	to Clinton.
Clinton	to Ogden
On Indiana Street (Grand Avenue),	
Halstead St.	to Western.
On Lake Street,	
Wabash	to State.
State	to Market.
Market	to Desplaines St.
Desplaines St.	to Union Pk.
Union Pk.	to Robey.
Robey	to Western.
Western	to W. 40th Ave.
On Leavitt Street,	
18th St.	to Blue Island Ave.
Chicago Ave.	to Indiana St.

On Madison Street,	
State St.	to Western Ave.
Western Ave.	to Rockwell St.
Rockwell St.	to Homan Ave.
Homan Ave.	to Hamlin Ave.
On Milwaukee Avenue,	
Desplaines St.	to Clinton St.
Clinton St.	to Lake St.
Desplaines St.	to Indiana St.
Indiana St.	to North Ave.
North Ave.	to Western Ave.
On North Ave.	
Robey St.	to Western Ave.
Western Ave.	**to California Ave.**
On Ogden Avenue,	
Randolph St.	to Madison St.
Madison St.	to Western Ave.
Western Ave.	to W. 40th Ave.
On O'Neill Street,	
Halstead St.	to Car Barns.
On Randolph Street,	
Michigan Ave.	to Wabash Ave.
Wabash Ave.	to State St.
State St.	to Dearborn St.
Dearborn St.	to LaSalle St.
LaSalle St.	to Union Pk.
On State Street,	
Madison St.	to Washington St.
Washington St.	to Randolph St.
Randolph St.	to Lake St.
Lake St.	to Middle of River.
On 12th Street,	
Wabash Ave.	to State St.
State St.	to Canal St.
Canal St.	to Blue Island Ave.
Blue Island Ave.	to Ashland Ave.
Ashland Ave.	to Ogden Ave.
Ogden Ave.	to Western Ave.
On Van Buren Street,	
State St.	to Clark St.
Clark St.	to Ogden Ave.
Ogden Ave.	to Western Ave.
Western Ave.	to Kedzie Ave.

On Wells Street,
Middle of River to North Water St.
North Water St. to Illinois St.
Illinois St. to Division St.
Division St. to N. Clark St.

On Western Avenue,
Van Buren St. to Madison St.

Franchises Expiring in 1907.

On Belmont Avenue,
Lincoln Ave. to Robey St.

On Dearborn Street,
Kinzie to Adams St.
Van Buren to Polk St.

On Division Street,
Clyborn Ave. to Milwaukee Ave.

On Kinzie Street,
State St. to Market St.

On Market Street,
Kinzie St. to Michigan St.

On Monroe Street,
LaSalle St. to Dearborn St.

On North Avenue,
Clark to Holt St.
Holt St. to Ashland Ave.
Ashland Ave. to Milwaukee Ave.

On Robey Street,
Belmont Ave. to Roscoe St.

On Roscoe Street,
Robey St. to Western Ave.

Franchises Expiring in 1908.

On Clyborn Avenue,
Fullerton Ave. to Belmont Ave.

On 5th Avenue,
12th St. to Polk St.

On Jefferson Avenue,
Madison St. to Washington St.

On Taylor Street,
Approach.

Franchises Expiring in 1909.

On Halstead Street,
200 ft. N. of E. line of
Clark St. to Grace.

On Sheffield Avenue,	
Fullerton Ave.	to Lincoln Ave.
Lincoln Ave.	to Clark St.
On Taylor Street,	
5th Ave.	to Western Ave.

Franchises Expiring in 1910.

On Lawndale Avenue,	
33rd St.	to Ogden Ave.

Franchises Expiring in 1911.

On Lake St.	
40th Ave.	to 48th Ave.
On North Avenue,	
California Ave.	to Chicago M. & St. P.
C. M. & St. P.	to W. 40th Ave.
W. 40th Ave.	to W. 46th Ave.

Franchises Expiring in 1912.

On Ashland Avenue,	
Blue Island Ave.	to 12th St.
Lake St.	to Erie St.
On Chicago Avenue,	
California Ave.	to Grand Ave.
On Colorado Avenue,	
Madison St.	to W. 40th Ave.
W. 40th Ave.	to W. 48th Ave. (Not built.)
On Crawford Avenue,	
Grand Ave.	to North Ave.
On Dearborn Street,	
Adams St.	to Van Buren St.
On 18th Street,	
State St.	to Halstead St.
On 14th Street,	
Canal St.	to Robey St.
On Indiana Street,	
Western Ave.	to W. 40th Ave.
On Kedzie Avenue,	
12th St.	to Madison St.
On Milwaukee Avenue,	
Armitage Ave.	to Fullerton Ave.
On Paulina Street,	
12th St.	to Lake St.

On Robey Street,
Blue Island Ave. to Milwaukee Ave.

On Western Ave.
Blue Island Ave. to 12th St.
Harrison St. to Van Buren St.
Lake St. to Milwaukee Ave.

Franchises Expiring in 1914.

On Armitage Avenue,
California Ave. to Kedzie Ave.
Kedzie Ave. to Keeney Ave.
Keeney Ave. to N. 44th Ave.
N. 44th Ave. to Grand Ave.

On Fullerton Avenue,
Lincoln Ave. to Racine Ave.
Racine Ave. to Milwaukee Ave.

On Milwaukee Avenue,
Fullerton Ave. to Logan Sq.

Pipe Line
Larabee Gas House.

On Southport Avenue,
Clybourne Pl. to Clybourne Ave.
Clybourne Ave. to Lincoln St.
Lincoln St. to Clark St.

Franchises Expiring in 1915.

On Chicago Avenue,
Grand Ave. to Kedzie Ave.

On Erie Street,
E. bank of River to Sangamon St.

On Harrison Street,
North Ave. to Kedzie Ave.

On Indiana Street,
State St. to Halstead St.

On Morgan Street (formerly Laurel),
31st St. to 39th St.

On Sangoman Street,
Austin Ave. to Erie St.

On 31st Street,
Laurel St. to Main St.

On Throop Street,
Taylor St. to 21st St.
21st St. to Main St.

On 12th Street,	
40th Ave.	to 46th Ave.
On 21st Street,	
Halstead St.	to Centre Ave.
North Ave.	to Douglass Pk. Boul.
On 26th Street,	
Western Ave.	to 40th Ave.
On Western Avenue,	
Milwaukee Ave.	to Elston Ave.

Franchises Expiring in 1916.

On Armitage Avenue,	
Elston Ave.	to Milwaukee Ave.
On Ashland Avenue,	
31st St.	to Blue Island Ave.
On California Avenue,	
Ogden Ave.	to Kinzie St.
Division St.	to North Ave.
Armitage Ave.	to Elston Ave.
On Illinois Street,	
Clark St.	to Wells St.
On Kedzie Avenue,	
Ogden Ave.	to 12th St.
Madison St.	to Chicago Ave.
On Robey Street,	
Milwaukee Ave.	to Elston Ave.

Franchises Expiring in 1921.

On Alley,	
Western Ave.	to Power House.

Part IV.

STATUS OF THE CHICAGO CITY RAILWAY COMPANY'S FRANCHISES AS CLAIMED BY THE COMPANY.

Franchises Expired.

On Cottage Grove Avenue,	
City Limits (39th St.)	to S. end of Avenue.
On 41st Street,	
W. line of State St.	to E. line of Cottage Grove Ave.
On 47th Street,	
West from Ashland Ave.	

On 51st Street,
State St. to Indiana Ave.
Indiana Ave. to Grand Boul.

On Highways,
In town of Lake.
In Cook Co.

On Indiana,
City Limits (39th St.) to 41st St.
39th St. to 51st St.

On Jefferson Street,
55th St. to So. line of Willow St.

On Michigan Avenue,
Madison to Randolph St.

On 61st Street,
State St. to 1000 ft. E. of So. Park Ave.
Madison Ave. to 60th St.

On 63rd Street,
W. line of State St. to E. end of Street.

On Randolph Street,
Michigan Ave. to Wabash Ave.

On State Street,
City Limits to South end of street.
31st St. to 39th St.
39th St. to 55th St.
55th St. to 63rd St.

Streets on any common highway except Hyde Park or Lake Avenue.

Applies only to actual extension from Willow St. to State Line.

On 29th Street,
Cottage Grove Ave. to State St.

On Throop Street,
31st St. to 39th St.

On Van Buren Street,
State St. to 50 ft. E. of E. line of Wabash Ave.

On Wabash Avenue,
Randolph St. to Madison St.
Wabash Ave. Loop.

On Wentworth,
61st St. to 63rd St.
63rd St. to Vincennes Ave.

On Willow Street,
W. line of Jefferson St. to E. end of St.

Franchises Operative until Purchase.

On Archer Avenue,	
State St.	to City Limits (Halstead St.).
Present terminus of tracks (Halstead St.).	to Western Ave.
Western Ave.	to 39th St.
On Ashland Avenue,	
Archer Ave.	to 39th St.
39th St.	to 55th St.
55th St.	to 63rd St.
63rd St.	to 69th.
On Canal Street,	
Archer Ave.	to 39th St.
On Center Avenue,	
35th St.	to 31st St.
On Clark Street,	
Randolph St.	to Polk St.
Polk St.	to 22nd St.
On Cottage Grove Avenue,	
22nd St.	to 31st St.
On 18th Street,	
State St.	to Wabash Ave.
Wabash Ave.	to Indiana Ave.
On 47th Street,	
Halstead St.	to State St.
Halstead St.	to Ashland Ave.
On Halstead Street,	
39th St.	to River.
63rd St.	to 69th St.
On Indiana Avenue,	
18th St.	to 22nd St.
22nd St.	to 39th St.
On Madison Street,	
Wabash Ave.	to Michigan Ave.
On Pitney Avenue,	
Archer Ave.	to Chicago & Alton tracks.
On Root Street,	
State St.	to Stock Yards.
On 61st Street,	
State St.	to Wentworth Ave.

Permission to use viaduct between State and Wentworth.

On 63rd Street,	
Halstead St.	to Wentworth Ave.
Ashland Ave.	to Halstead St.
On 69th Street,	
Vincennes Ave.	to Halstead St.
Halstead St.	to Ashland Ave.
Ashland Ave.	to Leavitt St.
On 79th Street,	
Vincennes Ave.	to Halstead St.
On State Street,	
Lake St.	to City Limits (31st St.).
Lake St.	to River.
Lake St.	to Chicago River.
22nd St.	to City Limits.
41st St.	to 61st St.
63rd St.	to Vincennes Rd. (West single track.)
Stock Yards **Dummy.**	
On 21st St.	
State St.	to Dearborn St.
Canal St.	to Butler St.
On 22nd Street,	
State St.	to Cottage Grove Ave.
On 31st Street,	
Pilvey Ave.	to Lake Park Ave.
On 35th Street,	
Cottage Grove Ave.	to Stanton Ave.
On 38 Street,	
Archer Ave.	to Kedzie.
On 39th Street,	
State St.	to Wentworth Ave.
Wentworth Ave.	to Halsted St.
On Van Buren Street,	
State St.	to S. W. Plank Rd. (Ogden Ave.).
On Vincennes Avenue,	
State St.	to 69th St.
69th St.	to 79th St.
On Wabash Ave.	
Madison St.	to Lake St.
On Wallace Street,	
26th St.	to 31st St.
On Wentworth Avenue,	
39th St.	to 63rd St.

Franchises Expiring Later Part of 1906.

On Cottage Grove Avenue,
39th St. to 67th St. (Nov. 8.)
On 55th St.
Cottage Grove Ave. to Lake Ave. (Nov. 8.)

Franhises Expiring in 1907.

55th St. Loop.
On 43rd Street,
I. C. R. R. to State St.
On Jefferson Avenue,
55th St. to Private right of way between 56th and 57th Sts.
On Lake Avenue,
From private right of way between 56th and 57th to 55th St.
On 61st Street,
Cottage Grove Ave. to 1000 rds. E. of E. line of So. Park Ave.
On 63rd Street,
I. C. R. R. to Cottage Grove Ave.
On State Street,
63rd St. to Vincennes Road.
On 22nd Street,
State St. to River.
On 26th Street,
Halstead St. to Cottage Grove Ave.
On 35th Street,
State St. to Centre Ave.

Franchises Expiring in 1909.

On Cottage Grove Avenue,
67th St. to L. S. & M. S. R. R.
68th St. to 71st St.
On Keefe Avenue,
Anthony Ave. to South Chicago Ave.
On Rhodes Avenue,
South Chicago Ave. to 68th St.
On 68th Street,
Vincennes Ave. to Cottage Grove Ave.
On 69th Street,
Vincennes Ave. to Anthony Ave.
On South Chicago Avenue,
Cottage Grove Ave. to I. C. R. R.

Franchises Expiring in 1912.

On 47th Street,	
State St.	to Cottage Grove Ave.
Ashland Ave.	to Southwest Boul.
On Grace Avenue,	
62nd St.	to 63rd.
On Madison Avenue,	
64th St.	to 63rd.
On 61st Street,	
Cottage Grove Ave.	to Madison Ave.
On 62nd Street,	
Stony Island Ave.	to Grace Ave.
On 63rd Street,	
I. C. R. R.	to Stony Island Ave.
63rd St. Loop.	
On 64th Street,	
Stony Island Ave.	to Madison Ave.
On Stony Island Avenue,	
63rd St.	to 62nd St.
63rd St.	to 64th St.
On 35th Street,	
State St.	to Rhodes Ave.
California Ave.	to Centre Ave.

Franchises Expiring in 1913.

On 63rd Street,	
Ashland Ave.	to Central Pk. Ave.
Central Pk. Ave.	to Hyman Ave.

Franchises Expiring in 1914.

On Centre Avenue,	
47th St.	to 63rd St.
63rd St.	to 75th St.
On Halsted Street,	
69th St.	to 79th St.
On 63rd Street,	
Cottage Grove Ave.	to State St.
Cottage Grove Ave.	to C. R. I. & P. R. R.
On Wallace Street,	
39th St.	to Root St.

Franchises Expiring in 1915.

On Archer Avenue,	
39th St.	to 51st St.
51st St.	to So. 48th Ave.
On 47th Street,	
I. C. R. R.	to Cottage Grove Ave.
(Tracks of Co., presumably S. W. Boul.)	to Archer Ave.
On 59th Street,	
State Street,	to Western Ave.
On Kedzie Ave.	
38th St.	to 63rd St.
On Morgan (formerly Laurel Street),	
31st St.	to 39th St.
On 69th Street,	
Leavitt St.	to Western Ave.
On 29th Street,	
Butler St.	to Wallace St.
On 38th Street,	
Archer Avenue,	to Central Pk. Ave.
On Throop Street,	
31st St.	to Archer Ave.
On Western Avenue,	
Archer Ave.	to 71st St.

Franchises Expiring in 1916.

On 57th Street,	
State St.	to Western Ave.
On Wentworth Avenue,	
22nd St.	to Archer Avenue.
39th St.	to 22nd St.